FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,997 Friday February 11 1983

Drug addiction: War the world is losing, Page 16

NEWS SUMMARY

GENERAL

Israel accepts massacre report

The Israeli Cabinet voted by 16 to 1 to accept the recommendations of the commission of inquiry into the Beirut massacre. The sole dissenter was Gen Ariel Sharon, Defence Minister, who the commission said should resign.

The Cabinet decision came within an hour of a hand grenade attack outside Premier Menahem Begin's office which killed one demonstrator and injured several more.

Iranians 'surrender'

Iraq said it trapped most of the forces leading an Iranian offensive, compelling 1,000 survivors to surrender. Iran said it destroyed an Iraqi brigade. Page 3

U.S. weapons call

The U.S. proposed at a Geneva disarmament conference that all chemical weapons be destroyed over 10 years. Page 2

Moscow to talk

The International Atomic Energy Agency said the Soviet Union agreed to talks on allowing inspection of some peaceful nuclear installations.

Luxembourg loses

The European Court of Justice upheld the European Parliament's decision to meet only in Strasbourg, excluding Luxembourg. Page 2

Election move denial

West Germany's federal constitutional court denied a Mainzer Allgemeine Zeitung report that it planned to stop the March 6 general election.

Priests face action

Rome magistrates investigating a petrol tax fraud issued notices of possible legal action against three priests, including the Vatican Bank's secretary.

Split over Salvador

The first indications of a division in the U.S. Administration over its policy towards El Salvador have emerged. Page 4

Argentine struggle

Argentina's President Reynaldo Bignone was reported to be struggling for his political survival. Page 4

Russian ordered out

Denmark asked Soviet Embassy First Secretary Y. L. Motorov to leave within 14 days. He is accused of illegal intelligence gathering.

£2m horse ransom

Police in the Irish Republic confirmed that the kidnappers of the £10m ($15.45m) racehorse Shergar had demanded a £2m ransom. Page 6

Bodies in sewer

The chopped remains of three men were found in a north London sewer.

Deadly sweeteners

Near-lethal doses of a water treatment chemical were found in boxes of an artificial sweetener bought at a Raleigh, North Carolina, grocery store.

Briefly...

Naples general strike was called by trade unions today in protest against the Camorra, local mafia.

Greek Cypriot presidential election will be held on Sunday.

Soviet Ambassador to the U.S. since 1962, Anatoly Dobrynin, will return home later this year. Page 2

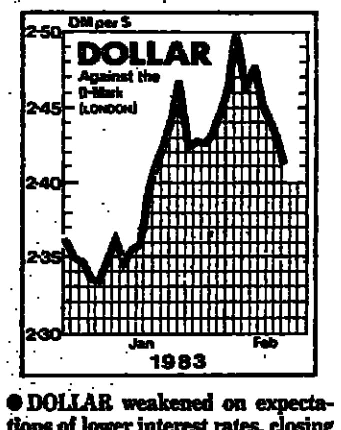
BUSINESS

OECD gloomy on UK prospects

BRITAIN'S economic prospects remain very weak, according to the latest analysis by the Organisation for Economic Co-operation and Development (OECD). The "unprecedented" fall in industry competitiveness means any world recovery will lead to little improvement.

It praises the Government's anti-inflation policies since 1979 but expects few benefits on jobs, output or economic growth in the next 18 months.

Ahead of next month's budget, it says any substantial relaxation of the tight fiscal policy would be unlikely to achieve a marked recovery in output. Details, Page 6; IMF report on UK, Page 18.



● DOLLAR weakened on expectations of lower interest rates, closing at DM 2.4115 (DM 2.43), SwFr 2.011 (SwFr 2.0225), FFr 6.833 (FFr 6.8925) and Y235.1 (Y236.25). Its trade-weighted index was 119.5 (119.9). Page 36

● STERLING finished at $1.545, a rise of 30 points, but eased to DM 3.7275 (DM 3.75), SwFr 3.11 (SwFr 3.12), FFr 10.555 (FFr 10.6275) and Y363.5 (365). Its trade-weighted index was 81 (81.2). Page 36

● GOLD rose $3.50 to $496 in London. In Frankfurt it rose $5.50 to $496, and in Zurich it was $5 up at $496.50. Page 33

● TOKYO: Nikkei Dow index rose 21.63 to 8,017.56. The Stock Exchange index slipped 0.92 to 583.22. Pages 29, 32

● HONG KONG: Hang Seng index was 8.87 up at 915.51. Pages 29, 32

● AUSTRALIA: All Ordinaries index shed 2 to 501.3. Pages 29, 32

● WALL STREET closed 29.33 up at 1,087.75. Page 29. Full share listings. Pages 30-32

● FRANKFURT: Commerzbank index added 6.7 to 772.7. Pages 29, 32

● LONDON: FT Industrial Ordinary index eased 1.2 to 654.8. Page 29. FT share information service, Page 34, 35.

● SPANISH measures introduced last summer to stop the flow of funds into foreign currency securities were extended for 12 months. Page 2

● SOVIET UNION gold sales are expected to be 250 tonnes this year against 200 tonnes in 1982, said Credit Suisse Bank.

● GETTY OIL of the U.S. said it is no longer interested in oil and gas exploration on Norway's continental shelf. Page 19

● SOUTH AFRICAN cartel of 11 clearing banks is to be abolished after 54 years. Page 20

● ATLAS COPCO, Swedish compressed air and hydraulic machines group, reported preliminary 1982 earnings down at SKr 353m ($46.9m) from SKr 570m. Page 19

● WEST GERMAN Interior Minister Friedrich Zimmermann said he planned to simplify regulations to speed the building of nuclear power plants.

● FRIED. KRUPP, West German industrial group, reported a 5 per cent drop in plant and machinery orders after 1982 orders declined to DM 16.2bn from DM 19bn in 1981. Page 19

U.S. blocks IMF accord on size of quota increase

BY ANATOLE KALETSKY AND MAX WILKINSON IN WASHINGTON

Members of the International Monetary Fund's interim committee expressed concern yesterday that they might be unable to reach a consensus on increasing the IMF's resources, in the face of firm negotiating tactics from the U.S. and the developing countries.

As the 22 finance ministers who make up the interim committee broke for informal discussions last night, the U.S. was still holding out against all the other countries for an increase of no more than 40 per cent in IMF quotas. Compared with the present quotas of SDR 61bn, Mr Donald Regan, U.S. Treasury Secretary, continued to insist that an enlargement of quotas to SDR 85bn would be the maximum acceptable to the U.S. Congress.

Representatives of the developing countries were sticking more firmly than expected to their initial bargaining position that new quotas of SDR 100bn were the minimum acceptable. There was concern among some delegates that a sufficient minority of the developing countries could decide to resist a compromise significantly below this level and make approval of any quotas increase impossible at the interim committee's final formal meeting later today.

European finance ministers expressed serious concern that if the U.S. prevailed with its demand for a low quota increase, the IMF could rapidly run out of funds again. They pointed out that some countries with existing IMF programmes, particularly Mexico, could require more money in the coming year.

They said there was a serious possibiltiy of several European countries most likely Portugal, Spain and Denmark, approaching the Fund for loans. But there is even more concern about the possibility of an approach from France, whose quota of SDR 2.9bn could entitle it to extremely large sums from the IMF.

A victory for the Christian Democrats in the coming elections in West Germany could put strong pressure on the D-Mark–Franc exchange rate and push France into a precarious financial position, according to some officials and delegates at the IMF.

Countries controlling at least 85 per cent of the IMF's voting power must agree to any increase in quotas. This means that either the U.S. or the developing countries, if they decided to vote as a bloc, could veto any compromise. The U.S. has 19.52 per cent of the Fund's votes, while the developing countries have about 25 per cent between them.

Industrialised countries other than the U.S. have proposed a 50 per cent increase in quotas, to about SDR 90bn, in the hope of bridging the gap between the U.S. and the Third World. However, at a last-minute meeting of the Group of Ten industrialised countries, held at the IMF's Washington headquarters just before the interim committee convened yesterday, finance ministers from Europe and Japan were unable to persuade Mr Regan to compromise on SDR 90bn.

Despite the failure of the Group of Ten meeting, interim committee delegates continued to hope, however, that the U.S. position was mainly a negotiating tactic designed to impress U.S. congressmen, many of whom oppose any increase in IMF funding.

UK surplus forecast, Page 18

Cut in world oil prices inevitable, Yamani says

BY ROGER MATTHEWS AND RAY DAFTER

SAUDI ARABIA publicly abandoned its defence of a $34-a-barrel reference price for oil yesterday and admitted that a cut in world prices was inevitable.

Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, warned of chaos if the members of the Organisation of Petroleum Exporting Countries (Opec) failed to reach a new agreement on pricing and production.

In an interview with the English language Saudi Gazette, due to be published today, Sheikh Yamani said Saudi Arabia had lost patience with these members of Opec who put their own short-term interests before those of the organisation. "I cannot see any way out of a price reduction," he said.

"The Kingdom will no longer play the role of defending the ($34) benchmark and will let others bear the responsibility of their own mistakes," he warned.

Sheikh Yamani said that Saudi Arabia's output had reached such a low level that "further reductions cannot be made without the closure of factories run on associated gas (gas produced in conjunction with oil). This means reducing the amount of desalinated water produced, as well as reducing domestic power consumption."

Saudi production is now estimated to be well below 5m barrels a day, less than half its 1979 level.

Sheikh Yamani admitted that a cut in the oil price would be bitter medicine for some producers to swallow. Some countries would be hurt, he said, particularly those exporters whose oil was expensive to produce.

After the abortive meeting of Opec at the end of January, Sheikh Yamani said he would still try to defend the $34 price, but added that he expected a $2 to $3 cut in the price of North Sea crude.

The Saudi Minister did not specify the size of the cut he anticipated for Saudi light oil, but has indicated privately that the Gulf countries would be prepared to defend a $30 reference price. However, this could only be undertaken if there was total Opec commitment and the Saudis have indicated that as part of such an arrangement they would expect their own quota to rise to 6m b/d.

Saudi Arabia considers the issue of price cuts to be political dynamite within Opec. One of the main culprits in undermining Opec agreements has been Iran, which is a bitter political enemy of the Saudi monarchy and yesterday renewed its assault on neighbouring Iraq.

Intensive consultations between Opec members during the past two weeks have failed to produce a consensus on what the next step should be. Ecuador, one of the smallest members, appealed yesterday for help from Opec in order to sell its oil.

Newspaper reports in the United Arab Emirates claimed that the reason there had not yet been a meet-

Continued on Page 18

Deutsche Bank loses Eurobond manager after disagreement

BY ALAN FRIEDMAN IN LONDON

A SERIES OF disagreements within Deutsche Bank, West Germany's biggest bank, has led to the resignation of Herr Friedrich Hoyos, one of the bank's top Eurobond executives, and it remained unclear last night whether further resignations might follow.

Deutsche Bank is not only the market leader in West Germany's bond market, but last year lead-managed $4.9bn of new Eurobond issues, rivalled only by Credit Suisse First Boston's $7.2bn of new issue volume. It is generally conceded in the Euromarket that the new issue business of Deutsche Bank has been handled almost entirely by two men – Karl Miesel and Friedrich Hoyos.

The resignation of Herr Hoyos caught the Eurobond market off guard yesterday. This is because Deutsche Bank is generally considered to be a "monument of stability," in the words of one banker. Herr Hoyos has worked for Deutsche Bank for 15 years.

Deutsche Bank said last night that it has no comment on Herr Hoyos departure.

The only explanation so far is from the market, where it is said that Herr Hoyos has resigned for "personal reasons" and will take a six-month holiday. It is understood, however, that he is not the only Eurobond executive at Deutsche Bank to have found the working climate increasingly difficult.

Some bankers said last night there were "bureaucratic problems and philosophical differences" between the Eurobond managers and the bank's board of directors. "This is a $45bn professional market where individuals must make decisions of unheard-of proportions. The Deutsche Bank general management does not appear to appreciate this," one said.

Another banker said there was no time to "write long reports and hold committee meetings in the Euromarket."

An additional issue at Deutsche Bank is the question of whether the bank should establish a major London bond presence

Reactions to Herr Hoyos's resignation came swiftly. Herr Werner Samuel, a Commerzbank director in charge of new issues, said: "I am stunned." Mr Stanley Ross of Ross and Partners, the London-based bond dealing house, said he was "absolutely astonished that after 15 years in the saddle Hoyos would be leaving."

Quiet boom in Luxembourg, Page 19

EEC threat to end U.S. farm talks

BY GILES MERRITT AND JOHN WYLES IN BRUSSELS

THE EEC has threatened to break off discussions with the U.S. aimed at averting a trade war over subsidised agricultural exports if the U.S. takes what the Europeans would see as more provocative actions such as its recent subsidised sales of 1m tonnes of wheat flour to Egypt.

The warning came in a private letter from M Gaston Thorn, the European Commission president, to Mr George Shultz, the U.S. Secretary of State, last week ahead of the resumption of talks between the two sides in Brussels yesterday.

As the talks reopened, it became known that the U.S. Government had started negotiations in recent weeks with some 11 different importing countries on sales of more than $1bn (£650m) of subsidised wheat, maize and other products.

It is understood that these deals were not specified by the American delegation in yesterday's meeting with top Commission officials, although at least six of the purchasing countries could be considered "traditional" clients for EEC produce.

Under the agricultural trade agreements now being discussed between the U.S. and the six countries, some $80m of direct credits or U.S. subsidy is involved in blended credit deals. Together with guaranteed commercial credits of $320m these export sales total $400m.

The six countries involved are Portugal, Yugoslavia, Morocco, Egypt, Pakistan and Yemen. The produce to be sold to them totals 3m tonnes, of which wheat accounts for 2.4m tonnes, maize animal feedstuffs for 400,000 tonnes with the remainder ranging from soya bean meal to vegetable oil, rice and cotton.

EEC officials taking part in yesterday's talks commented that sector-by-sector review of U.S. and EEC agricultural exports had not revealed the extent of the new U.S. subsidised deals.

The talks, led on the Commission side by M. Claude Villain and for the U.S. by Mr Richard Lyng, Deputy Secretary of State for Agriculture, ended inconclusively yesterday.

A Commission spokesman said last night that the U.S. "gave us no assurances whatsoever" that it would refrain from striking further subsidised deals.

The spokesman emphasised that, if faced with deals similar to the Egyptian sale, the Commission was going to react. "We are not going to sit back and watch."

The EEC is already planning to lodge a complaint with Gatt about

Continued on Page 18

Rebate for Britain, Page 2

Talks on Japanese export curbs stall

BY JUREK MARTIN AND CHARLES SMITH IN TOKYO

JAPANESE and EEC negotiators yesterday failed to agree on European demands for export restraint on a range of goods, particularly video tape recorders (VTRs). The other items included television sets and tubes, cars, motorcycles and machine tools.

Yesterday's talks were meant to have been the culminating stage in a month-long series of exchanges during which the EEC has tried to extract from Japan a commitment to limit certain exports to the Community as a whole.

After the talks, a brief statement was issued saying that the two sides would meet again tomorrow. The statement described the area of disagreement as being confined to "certain limited points."

It was unclear whether tomorrow's further round would resolve the impasse, the key element of which was Japan's conditional offer to hold exports of VTRs to the Community down to about 4.3m units this year compared with the 4.9m sold in 1982.

The figure was understood to be well above that considered by the EEC negotiating team, led by Viscount Etienne Davignon, the Industry Commissioner, and Herr Wilhelm Haferkampf, the External Relations Commissioner. Their talks yesterday with Mr Sadanori Yamanaka, the Minister of International Trade and Industry, lasted four and a half hours.

In return for their undertaking to restrain exports, Japanese officials

Continued on Page 18

Row over Japanese radios for British ships, Page 4

Hong Kong creates a $900m monument to money

By Robert Cottrell in Hong Kong

MUCH AS medieval cities would pour love and labour into vaulting Gothic cathedrals to the greater glory of God, so Hong Kong today is creating a suitably heroic monument to its own tutelary idol – money.

The Hongkong and Shanghai Banking Corporation is building what will undoubtedly be the most spectacular headquarters of any financial institution. The Cathedral of Amiens in France, would, according to one local estimate, just fit into the main banking hall of the new edifice, which is also a prime contender for the title of the most expensive building anywhere.

So how much will the 41-storey building – resembling a gigantic central heating radiator stood on end – cost? The answer is that it is not only vulgar to attempt to express great art in cash terms, but impossible, too. Nobody knows. Even the bank does not know, though it is now making a determined effort to find out.

Pell Frischmann, consulting engineers, have been hired to review specifications and costings. A special committee of bank directors has been convened under Trevor Bedford, the Hong Kong Land Company's managing director, to keep tabs on the building. By mid-year, says Hongkong Bank director Mr Roy Munden, the impetus will have shifted "from a design development project to a budget-controlled project."

The new building, designed by Britain's Norman Foster Associates, is an all-singing, all-dancing array of high-tech innovation. Floors will carry built-in wiring systems so sophisticated that the bank can plug in a computer here or there much as lesser folk might plug in a hairdryer at home.

While a basic cost can be put on the "shell" of the building, the evolving myriad of fittings which may be included have made precise costing impossible. One extra which seems unlikely to make the transition from drawing board to reality is a rooftop helipad.

But how much – roughly? The nearest thing to a hard figure available is for contracts so far let. The total, which includes 80 per cent of contracts relating to the shell of the building, is past the

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CONTENTS

France suspends guarantees on new Iraqi deals

BY DAVID HOUSEGO IN PARIS

THE FRENCH export credit guarantee agency, Coface, has decided to suspend further guarantees on contracts with Iraq because of the recent intensification of the fighting in the Gulf war.

A decision was *formally* taken on Wednesday, though the Government-backed agency has been holding back from extending new cover for some while. To date, Coface has provided guarantees of FFr 35bn (£3.3bn) on civil and military contracts with Iraq.

The decision comes on the eve of a visit to that country by Mr Claude Cheysson, the Foreign Minister, and will obviously be a severe blow to Baghdad which has seen France as its warmest *European supporter. In spite* of the strong French commitment to an Iraqi victory, the decision reflects increasing nervousness about Iraq's ability to pay for the growing volume of orders it has placed with French companies.

M Cheysson, who leaves today for a Middle East tour that also includes Jordan and Syria, is expected to make the Gulf war and Iraq's indebtedness to France the focus of his discussions. Over the past two years France has sold FFr 27bn (£2.5bn) of military equipment to Iraq—representing some 40 per cent of French defence sales—and a similar amount of civil equipment.

It recently emerged in the *French Press that France last* year concluded a fresh agreement for the sale of 29 Mirage F1 fighters to Iraq equipped with sophisticated guidance systems and that Iraq is also seeking to purchase from France Super Etendard aircraft mounted with Exocet missiles.

Questioned this week about French relations with Iraq, M Cheysson said the Iraqis were "momentarily" suffering economic difficulties because of the loss of oil exports.

"We are not going to change our policy," he declared "because Iraq, like so many other countries and perhaps for *a very short time, has need of* some credit."

When Mr Tariq Aziz, the Iraqi Vice-Premier, visited Paris last month, he won from the French Government some rescheduling of outstanding payments. He also reached an agreement in principle that Iraq would sell to France a substantially larger volume of oil to help pay for Iraqi military purchases. A dispute remains, however, over the price to be paid for this oil.

Saudi Arabia is believed to have made available to Iraq 140,000 barrels a day of oil as its contribution to the war effort. Kuwait has also provided the Iraqis with a much smaller volume. Iraq, however, has been insisting that it should be paid in line wth the official Saudi price of $34 a barrel, while the French Government has been seeking to buy it at current market prices of under $30 a barrel. Elf-Aquitaine, the state-owned French company, *has publicly said it will not pur*chase additional Saudi or Iraqi oil except at market prices, without a subsidy from the state.

Paul Cheeseright adds: The attitude of the British Export Credits Guarantee Department is more relaxed on trade with Iraq. Business on credit of up to 180 days is being insured normally. But for project business, where payments are spread over a number of years, insurance is only available if payments are made in cash and the project is not in the war zone.

Marubeni, Page 4

Tighter rein on defence costs is Bonn's goal

BY JAMES BUCHAN IN BONN

WEST GERMANY'S Defence Minister, Herr Manfred Woerner, has announced reforms at the top of his immense ministry in an effort to keep a rein on costs and to integrate better the three armed services at a time of strain on men and resources.

In a step widely seen as designed to prevent the sort of financial mismanagement that dogged the Tornado combat aircraft project under Herr Hans Apel, his predecessor, Herr Woerner this week announced a strengthening of the role of the General Inspector. This is the most senior officer of the 490,000-strong armed forces.

With the defence budget under intense pressure and a shortage of recruits looming in the 1990s, however, the General Inspector will also take overall planning responsibility over the three service chiefs should it come to differences of opinion *over how the cake is divided.*

Herr Woerner complained that in the past there had been a lack of "transparency" in planning between the departments of his ministry. The ministry employs 5,300 people, takes the second largest chunk of the federal budget and was once described by Herr Apel as "ungovernable."

Although the new minister has rejected Herr Apel's appointment of a "controller", announced last year in response to the Tornado fiasco, the General Inspector's increased role is intended to provide early warning of cost overruns which might otherwise be concealed by service pride and ambition.

Herr Woerner made clear that he wanted to concentrate on the Bundeswehr's overall needs, not on the partial conceptions of the different services. Up to now, funds have been divided up for the services according to a fixed pattern—48 per cent for the army, 30 per cent for the air force and 20 *per cent for the navy. In future,* spending would be made according to priority.

Insurance industry hit by high volume of claims

BY JOHN WICKS IN ZURICH

THE INTERNATIONAL insurance industry was *last year* affected by an unusually high volume of claims resulting from natural catastrophes, according to a study prepared by Swiss Reinsurance Company.

In the U.S. alone, loss pay*ments of private insurance* companies arising from tornadoes, hurricanes, storms and flooding amounted to more than $1.5bn (£1bn).

This was more than double the 1981 figure and only slightly below the 1979 record. Most of the claims arose in the first half of the year.

Natural catastrophes also caused losses of "extraordinary proportions" in Western Europe, with heavy storms and winter gales—particularly in *France and the UK—in January,* and storms and flooding in France and elsewhere towards the end of the year.

The worst disasters in terms of human life were December's earthquakes in North Yemen, with some 3,000 fatalities, and those in Afghanistan with more than 500 dead. A total of over 2,000 people lost their lives in monsoon rains in India and some *1,200* were *killed* in floods *and* landslides in Central America

In marine insurance, loss frequency and the extent of claims were in line with previous years. Some 84 lives were lost and $86.5m-worth of *hull loss sustained in the* capsizing of the Ocean Ranger rig off Newfoundland in February.

Tanker hull losses were those of £23.4m from the explosion and sinking of the Unirea in the Black Sea in October, and $28.75m from the explosion and sinking of the Golden Dolphin off the Bermudas in March.

A continued upward trend was reported for aviation losses last year. Three crashes involved deaths of more than 100, *the worst casualty list resulting* from the New Orleans crash of a Pan Am aircraft.

"Extremely high" liability claims of some $100m followed the crash of the Air Florida aircraft in Washington in January.

In other sectors, the study draws attention to the serious number of fire losses last year.

Challenge to Moscow on chemical weapons

GENEVA — The United States yesterday proposed the destruction of all chemical weapons over a 10-year period and challenged Moscow to allow on-site inspections on demand to prove it was complying with the agreement.

Mr Louis Fields, the U.S. delegate to the 40-nation committee on disarmament here, said the ban must also *allow signatories to bring* violations to the attention of the United Nations Security Council.

Quoting reports that Soviet-backed forces in Afghanistan, Laos and Kampuchea had used chemical weapons, he said: "The Soviet Union needs to demonstrate, rather than simply profess, that it is genuinely ready to work out and accept effective provisions to verify compliance with a chemical weapons prohibition."

Under the U.S. plan, all stocks and production facilities for chemical weapons as well as plants producing particularly dangerous chemicals would have to be open to *systematic checks by international inspectors.*

Western diplomats said the proposal *to bring violations to* the Security Council represented a further hardening of the U.S. position, which has *put increasing emphasis on* verification of compliance with all arms agreements.

Reuter

Bush says talks encouraging

By David Tonge, Diplomatic Correspondent

MR GEORGE BUSH, the U.S. Vice-President, yesterday wound up his seven-nation West European tour saying he was "very, very much *encouraged*" by his talks.

Speaking in London before returning to brief President Ronald Reagan, he reaffirmed Nato's commitment to deploy Pershing 2 and ground-launched cruise missiles from the end of this year if negotiations with the Soviet Union are not successful.

He said he had "yet to detect one iota of difference between governments about the morality" of the West's stand. But he said that he believed the Soviet leadership had not "made any kind of serious proposal" in response to the West.

Mr Bush said that he believed the present arrangements for control of the new U.S. missiles were satisfactory. These involve a joint decision with the country concerned on activating bases containing the missiles, but a U.S. decision alone on firing the missiles.

The Vice President appears to have left most Western governments pleased with the flexible and articulate way in which he put across the Nato position in what is expected to be a difficult year for the *alliance.*

His visit was announced when Washington was in apparent disarray following the dismissal of Mr Eugene Rostow from the Arms Control and Disarmament Agency. However, he appears to have claimed most of the fears caused by that episode.

Asked about the chances of a settlement in Namibia, Mr Bush said that in his recent eight-nation tour of black Africa he had explained that what the U.S. was trying to do was couple the removal of Cuban troops from Angola with the removal of South African troops from that country.

British officials say that his talks with Mrs Margaret Thatcher, the Prime Minister, on Wednesday raised the question of the Falkland Islands but that Mr Bush did not call for Britain to negotiate with Argentina.

Dutch jobless figure soars

By Walter Ellis in Amsterdam

UNEMPLOYMENT in the Netherlands increased sharply in January to reach a seasonally adjusted total of 744,500. In the EEC, only Belgium claims a higher proportion of its workforce out of a job. Depending on definition, between 15 and 17 per cent of the Dutch labour force is now idle.

A measure of the seriousness of the economic recession hitting the Netherlands is *contained in the latest figures* for industrial investment. Government investments in the third quarter of last year fell by 6 per cent over the same three months in 1981, and business investment fell by 3 per cent.

A total of 727 Dutch companies went bankrupt last month, against 672 a year before.

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Go-ahead given for EEC rebate to Britain

BY JOHN WYLES IN STRASBOURG

THE EUROPEAN Parliament yesterday gave the go-ahead for the payment of nearly £600m in rebates for Britain and West Germany in a mood of warm self-congratulation at having partially succeeded in bending the EEC Council of Ministers to its will.

Its main achievement has *been to push the European Com*mission into seeking a much more urgent attack by the Council on the Community's financing and budgetary problems.

The Parliament's resolution, adopting a supplementary budget paying £490m to Britain and £88m to West Germany, demanded policy proposals from the Commission by May 31, *which will both develop exist*ing policies and deal with the Community's future financing

It also demanded that the Council take "the necessary decisions" by the end of this year.

The aim, largely shared by the British Government, is to see changes in the way the Community is financed and a broader range of spending policies which will simultaneously strengthen the EEC and permanently remove the huge imbalance between Britain's payments to and receipts from the Community.

The Commission and the *Council will try to* tackle both tasks in the coming months with a much greater anxiety than before now that the Parliament will exact a retribution—possibly by dismissing the Commission—if it is dissatisfied with the progress.

Significantly for Britain, there was some evident softening in the Parliament's opposition to any further interim agreements cutting back the UK's payments to the EEC until a permanent cure has been found.

Mr Robert Jackson, the British Conservative who piloted the successful resolution through the Parliament's budget committee, told the assembly that the resolution "cannot be construed as intending to deny the need for a solution for the current year which is now in course."

This gives Britain and the Commission an opportunity to seek agreement, first in the Council and then in the Parliament, on another short-term budget deal. But as Mr Jackson made clear, future payments to the UK could not be straight *hand-outs as they have been* largely in the past three years.

One of the reasons why yesterday's budget proposal met with the Parliament's approval is that £228m of the British rebate and all of the West German is to be spent on energy projects related to EEC priorities.

In addition, some 10 per cent of the monies will be withheld until the Commission is satisfied that they have been properly spent. As a result, there may still be some difficulty in satisfying the British insistence that all of its rebate be paid into the Treasury before the end of the *current British financial* year.

Debts add to pressure on Lisbon

By Diana Smith in Lisbon

PORTUGAL'S DEBT *servicing* this year, is adding to the country's balance of payments strains as substantial repayments of principal begin on medium-term loans contracted during the financial crises of *the late 1970s.*

The country ended 1982 with a foreign debt of more than $12bn and a balance of payments deficit of $3bn. This year, it is required to repay $900m of prinicpal on the medium and log-term foreign debt and $1.3bn of interest on the total foreign debt, according to Bank of Portugal figures.

Meanwhile, the country's corporate and institutional borrowers, and the Republic of Portugal loan are likely to cost *substantially more in 1983.* Financial authorities recognise that strains caused by political uncertainties have hardened market attitudes towards a country that has been a heavy foreign borrower in recent *years, with a reputation for* tough-minded debt management.

This year, government guarantees will be provided for foreign borrowing of up to $4bn. The recent experience of two corporate loans of $150m each indicate that spreads over Libor for the annual Republic of Portugal loan will not be as fine as in past years.

In the absence of government forward planning, the authorities are turning to whatever sources are available for piecemeal funds. This includes pressing their case with the IMF for delivery of $140m funds compensating for 1982-82 export losses.

Broader negotiations with the *IMF* for a balance of payments support agreement will have to wait, it seems, for a new government with a clear programme. The general election has been called for April 25.

The Bank of Portugal has declined to comment on insistent reports that the authorities are seeking gold-linked short-term credits from the Bank for International Settlements similar to various gold-pledged *or swap deals done in the mid*-1970s to ease liquidity problems.

Court rules against Luxembourg

BY JOHN WYLES

THE EUROPEAN Parliament yesterday scored an important legal victory confirming its right to abandon Luxembourg as one of its meeting places.

In an eagerly-awaited ruling, the European Court of Justice yesterday turned down an appeal by Luxembourg for an annulment of a resolution passed by the Parliament in July, 1981.

It was decided then that the *should be held only in Stras*bourg and that its committees and political groups would *meet in Brussels. The resolution* also implied that a good part of the 2,500-strong secretariat *would be moved from Luxem*bourg to Brussels.

Chagrined at the prospect of losing the Parliament just after it had provided a glossy new building for its meetings, the Luxembourg Government claimed that the Parliament was exceeding its competence and that the decision could only be settled by EEC member governments.

Luxembourg argued that its *right to house the Parliament* and its services was confirmed by the provisional agreement of member governments of 1965 which established Brussels, Luxembourg and Strasbourg as the work-places of Community institutions.

The Court takes the view, however, that the Parliament is not undermining that agreement by abandoning Luxembourg. It argues that the Parliament started *meeting* there for odd sessions in 1967 of its own volition and that it is equally free to decide not to meet there.

It points out that member governments have still not fulfilled their responsiblity to take a final decision on the seat of the EEC's institutions and, in the meantime, the Parliament has an obligation to ensure that they work effectively.

The decision against Luxembourg was designed to improve the Parliament's working and the provisional decision on the three sites should not be allowed to impair its functioning of the Parliament, says the court.

MEP'S immediate response *last night was to vote in favour of* holding a two-day special session on unemployment in Brussels at the end of April. The Parliament has never sat in Brussels before and it is the city in which many MEPs want to base its future activities.

The parliamentary leadership had proposed holding the unemployment session in Luxembourg but the court judgment was seized on as a basis for sitting in Brussels.

Kohl vision glimpsed by MEPs

BY JOHN WYLES

CHANCELLOR Helmut Kohl hopped across the Franco-German border into Strasbourg yesterday to expose the European Parliament to that genial integrity which has helped put his Christian Democratic Union and its Bavarian ally, the Christian Social Union, in a position to win a clear majority in the general election on March

In a couple of speeches—one to the Christian Democratic group and another to the Parliament itself—and later at a news conference, the avuncular Chancellor revealed his talent for voicing grand ideals in the matter-of-fact tones with which he might order a glass of beer.

"We are trying to build a united states of Europe," he said without ever specifying who "we" are. Certainly not Mrs Margaret Thatcher, who only ever talks of a federal Europe to make it clear that she does not believe in it. *President Francois Mitterrand's* position on the matter is somewhat opaque and no other EEC head of government has been keen to declare himself a true believer.

There is no evidence that *Herr Kohl's ambitions for the* Community are greatly shared

Herr Kohl addresses the European Parliament

by the West German people and he is not, therefore, responding to an electoral imperative. Trawling for votes was more evident in his somewhat *equivocal approach* to giving the Community more money to spend.

He told the Parliament's Christian Democrats—anxious to a man for the Community to write ever bigger cheques—that *he saw no case for putting more* money into Brussels in this age of austerity and that even "budget cuts must also be viewed as real possibilities."

Wishing a united Europe without being ready to pay for *it was undoubtedly a solecism* in the eyes of many parliamentarians. But Herr Kohl could be easily forgiven since he also emerged as the *only* head of government ready to say in public: "If this parlia*ment could get more powers, it* would be a good thing."

Spain puts fresh curb on outflows

By David White in Madrid

TEMPORARY MEASURES introduced last summer to stem the flow of Spanish funds into foreign-currency securities were extended yesterday for a further 12 months.

Allowances for *Spanish individuals and institutions to* make certain portfolio investments abroad without seeking permission beforehand were suspended last August by the previous centrist Government, *because of pressure on the* peseta and on central bank reserves.

The Finance Ministry said the six-month suspension would be kept in force because of the country's balance of payments situation.

***The lifting of authorisation* requirements applied to fixed interest bonds issued either by Spanish private or public concerns, or by international organisations of which Spain was a member.**

***In the case of institutions* —insurance companies and commercial, industrial and savings banks—the easier rules were limited to investments they made within a limit of 10 per cent of the *increase in their combined* capital and reserves.**

Last August's measure followed a drop of more than $2bn (£1.3m) in central reserves since the beginning of the year. These have since *fallen a further $1.8bn to* $11bn at the end of December, according to the most recent Bank of Spain figures.

Irish resignation

Dr Martin O'Donoghue, the former Education Minister, has followed Mr Sean Doherty, the ex-Justice Minister, in proffering his resignation from the Fianna Fail party to Mr Charles Haughey, its leader, writes Brendan Keenan in Dublin. Their departure in the wake of the telephone-tapping scandal avoids the danger of another bitter wrangle next week, when the parliamentary party was due to discusss a motion to expel them.

Comecon looks to summit to ease strains

BY ANTHONY ROBINSON IN MOSCOW

PREPARATIONS for a summit meeting this spring of party leaders from Comecon the nine-nation Communist economic bloc, have *moved a sign*ificant step forward with a two-day meeting of planning chiefs which has just finished at the organisation's headquarters here.

The call for a Comecon sum*mit was first made by President* Gustav Husak of Czechoslovakia at the party congress in Prague in April 1981. It has been taken up since by President Nicolae Ceausescu of Romania, who has been seeking greater Soviet oil and *raw material supplies.*

The repercussions of the Polish crisis the hard-currency debt problems of Hungary, Romania, Poland and Cuba, and the export difficulties caused by recession in the West have made the summit call more urgent.

New stimulus to Comecon reform has been given by the elevation to the Soviet leadership of Mr Yuri Andropov who has made increased co-operation and integration one of the main planks of his strategy for revitalising the lagging Soviet economy.

The Soviet side is particularly interested in Hungary and Bulgaria's experience in improving their farm productivity and East German success in recycling raw materials. It wants to see greater Comecon participation in Soviet energy projects in return for future supplies of oil, gas, electricity and raw materials.

Moscow is also seeking greater specialisation and co-ordination in high technology fields. The Comecon countries have already drawn up a blueprint for a programme to develop the electronics, micro-computer and robot industries.

One of the greatest obstacles to closer integration up to now has been the lack of a truly transferable Comecon currency. This has ensured that the bulk of intra-Comecon trade takes place on a bilateral clearing basis.

The Hungarians have been in the forefront of moves to try to upgrade the financial institutions and especially the so-called transferable Rouble to facilitate greater multilateral trading between members. This would allow greater trading flexibility by permitting surpluses built up with one Comecon country to be offset financially through deficits with others.

In the absence of such a transferable currency, Comecon has fallen back increasingly on the U.S. dollar to settle multilateral accounts and non-planned trade, a process reinforced by the Soviet decision in 1975 to price its oil deliveries on a five-year moving average of dollar-denominated world prices.

Higher Soviet oil and raw material prices, meanwhile, have led to a deterioration of the terms of trade of other Comecon countries with the Soviet Union while, at the same time, being squeezed by onerous hard-currency debt repayments. The resulting strains lie behind the demand for a summit-level review of Comecon institutions and arrangements, but the Soviet Union, for its part, is insisting on higher quality deliveries in exchange.

Soviet envoy to leave U.S. this year

By Reginald Dale, U.S. Editor in Washington

MR ANATOLY DOBRYNIN, the veteran Soviet ambassador to the U.S., is to return to Moscow later this year after 21 years in Washington. Mr Yuri Andropov, the new Soviet leader, was said to feel *that Mr Dobrynin would be* more useful as a top-level Kremlin adviser

His departure may lead to a general downgrading of the Soviet embassy in Washington which some diplomats feel has been reduced largely to a message-taking role

Mr Dobrynin (63) is expected to become an adviser more or less equal to Mr Andrei Gromyko, the Foreign Minister since 1957.

Hungarian gamblers put money on reforms

BY DAVID BUCHAN, RECENTLY IN BUDAPEST

LASZLO CSIK, Laszlo Abonyi, Laszlo Simonfalvy have one thing in common besides their first name, as common in Hungary as Bruce in Australia. They are among Hungary's new *risk-takers who are gambling* on the Kadar Government's latest economic reforms.

Along with 15 other young professionals, they left secure jobs in established state companies like Tungsram and Kemical last summer to set up a management consultancy co-operative under the name of Orient.

Like several thousand others, they have sunk their own savings into one of several new forms of private or non-state enterprises permitted under a law that came into effect in January 1982. After six months' experience, the Orient group is confident the gamble will pay off.

Already, they say, they find their new work more interesting and varied. Clients in industry and agriculture range from large state companies employing 40,000 to small concerns with 200 workers. Orient has mapped out the next 20 years expansion for Hungarian Breweries and won a tender in*volving IBM.*

Indeed, says Mr Csik, they have begun to pick and choose among new commitments, plumping for the most rewarding or challenging. They have most of 1983 "locked up" *though they would like* to work with Western companies which the Government is making renewed efforts to attract into joint ventures. Only the Orient group's former employers seem downright uninterested in its *services.*

Of the new organisms spawned by the 1982 law, industrial or technical co-operatives are outnumbered by "economic partnerships"—900 in the Budapest area alone—which now exist *in such diverse* areas as manufacture of calculating machines, foreign language translation, and managing sports fields.

The Orient group eschewed this loose form of partnership, however, in favour of a co-operative because the partners *found it* "better appreciated" in Hungary. Co-operatives have long existing in farming. Having a common fund, unlike the economic partnerships, they are deemed slightly more "Socialist."

The *new urban co-operatives* can, indeed must, bank at the National Bank, which vets their books (important for the peace of mind of their clients) and which is less stingy with start-up loans than the OTP, the *Hungarian savings bank,* where the economic partnerships bank. Orient spent Forints 500,000 (£8,300) in its first six months.

The young professionals of Orient with multiple technical degrees are not the only sort *to have plunged into newly* legalised activities. Far broader a social cross section of Hungarians has taken advantage of the creation of "contract work" in industry or simply the expansion of privately-run business.

Under the new contract system, groups of workers can lease the equipment or facilities of their state companies to perform, outside regular hours, work on their own account and for their own profit. According to the Budapest council, 1,045 teams totalling some 10,000 workers are now doing this in the city area.

Apart from allowing private taxis to mushroom, the new law has had the effect of increasing from 4,000 to 4,500, the number of private retailers in the city—small shops and sellers of goods and services.

This does not include the considerably larger restaurant and food retail sector, where another revolution has taken place. Some 1,200 Budapest restaurants and food shops have been contracted or leased by state companies to private managers for periods of up to five years. The leases are awarded at auction. There were fears that some people might bid beyond their means for the leases, which range from Forints 2,00-80,000 (£33-1,330 a month, and go bust. But so far only 30 people have turned in their leases.

All this has had a confusing effect on income differentials. *Contract work in industry for* instance has widened the income gap between skilled and unskilled worker, but narrowed it between blue collar workers in general and managers who, it is said, have no spare hours to do such overtime.

How wage-differentials can be better arranged to provide incentives, without comprising Hungary's profession to socialism, is a matter of current debate. But it seems widely agreed that the number of private entrepreneurs—as distinct from private owners—should increase.

Hopes rise of healing rift between UK and Malaysia

BY ALAIN CASS, ASIA EDITOR IN KUALA LUMPUR

DR. MAHATHIR MOHAMED, Malaysia's Prime Minister, would be happy to meet Mrs Margaret Thatcher, the British Premier, next month in a move aimed to burying the hatchet between the two countries after two years' tension.

A meeting might not persuade Malaysia's outspoken Premier to drop formally his boycott of British goods but the offer is, nevertheless, seen as a turning point.

Dr Mahathir confirmed in an interview yesterday that he would be happy to meet the British Prime Minister when he is in Britain on a private visit "if she thought it would be useful."

He believed that both the British Government and the business community had adopted a "very positive attitude to ensure that the relationship with Malaysia is based on a more acceptable footing."

Dr Mahathir's remarks show an about-face in attitudes since his "buy British last" edict of October 1980.

Dr Mahathir issued his edict soon after assuming power as Malaysia's fourth Prime Minister since independence from Britain.

He listed, at the time, grievances ranging from the patronising attitude adopted by British Government officials and businessmen to the withdrawal of subsidies for foreign students in Britain by the Tory Government.

Dr Mahathir also confirmed yesterday that Marconi Italiana of Italy, a wholly-owned subsidiary of Britain's GEC, would be awarded a £200m contract for pulse-code modulators for use in switchgear equipment. The deal is likely to be signed soon.

Although Malaysian and British officials emphasised that it was the Italian company which secured the contract because of its low bid and that it was unlikely that any of the equipment would come from Britain, the decision to award a contract of this size to a British subsidiary would once have been inconceivable.

Several other British contracts are in the pipeline, including, it is understood, a major defence item, and British officials are quietly optimistic. Dr Mahathir confirmed that he expected British companies to be awarded further contracts.

He said: "There is a greater consciousness of the existence of the problem (between Malaysia and Britain) and also the need to adjust. There has been a very positive attempt to find solutions to the difficulties which may have arisen and I think on the whole the British business community and the government have displayed a very positive attitude."

He said the most encouraging development had been the British announcement that it was going to spend £46m to create 5,000 to 6,000 scholarships for foreign students. "These will not be just the Malaysians," said the Premier, "but I am told there would be a special effort for Malaysia. That will be a very positive change."

British exports to Malaysia dropped since Dr Mahathir's edict, though not dramatically. In 1980, they totalled £223.8m. The following year, the total fell to around £196m and exports for the first 10 months of 1982 totalled £175.1m and are *expected to end up higher than* their previous year's total.

Dr Mahathir also took a noticeably more moderate tone over what he had described in an earlier interview with the Financial Times as "the straw which broke the camel's back"

This was a reference to the move by the London Stock Exchange to change its rules on "dawn raids" following the takeover by Malaysia of Britain's Guthrie Corporation.

So far, over £700m worth of British assets—mainly plantations—had been transferred to Malaysian institutions under the country's New Economic Policy (NEP) which aimed to transfer 30 per cent of the corporate wealth to the economically-disadvantaged but politically-dominant Malay race by 1990.

Dr Mahathir said he did not know whether the new stock exchange rules were "reversible or irreversible but as much as we do not prevent foreigners from buying into Malaysia companies, that kind of hindrance of repurchasing companies which operate in Malaysia should be removed or, at least, be made more flexible."

Unofficial estimates of remaining British assets in Malaysia range from £700m to over £1bn. The two major targets under the next phase of the takeover by Malaysia are likely to be banking and industry.

Behaviour 'unbecoming'—
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The British Government decision, announced last Tuesday, to spend an extra £46m on scholarships for overseas students and to treat Malaysia as a special case was "significant and welcome," Datuk Musa Hitam, Malaysia's Deputy Prime Minister, said here yesterday, Kathryn Davies writes from Singapore.

But it should not be assumed, he added, that the state of relations between Malaysia and the UK could be improved merely by a single gesture. The problems are the result of an assumed relationship between a colonial power and a colonised country, he said.

Iraq and Iran locked in battle

By Roger Matthews, Middle East Editor

IRAQ and Iran were locked in a fourth day of intense fighting yesterday with indications from both sides that they were suffering heavy casualties.

Iran claimed to have launched the second phase of the offensive it unleashed on Sunday night, north-east of the Iraqi town of Amara in Misan province.

A military communique said an Iraqi brigade had been annihilated and another Iraqi fighter aircraft shot down.

From Baghdad it was claimed that the spearhead of the Iranian force had been encircled and over 1,000 troops and revolutionary guards forced to surrender. A radio report said that the battle area was littered with the corpses of Iranians.

Iraq believes that Amara, which is also a key army and airforce base, is the main target of the Iranian thrust. An Iraqi army commander was quoted yesterday as saying that Iran was relying on its normal tactic of massed assaults by infantry and revolutionary guards. The cost in casualties to both sides was high, he said.

The Iraqi communique yesterday added: "We pray to God to have mercy on the souls of our martyrs and take them to his vast paradise." In July, during the last sustained Iranian offensive north-east of Basra, Iraq said it had suffered 10,000 fatalities.

Iran has promised that the present offensive will be "decisive" and its political leaders are anxious for a major victory to coincide with this week's fourth anniversary of the Islamic revolution.

PLO in talks

The executive committee of the Palestine Liberation Organisation met yesterday in Algiers to prepare for next week's critical meeting of the Palestine National Council.

The PNC is the top Palestinian policy-making body and will be asked to decide on its response to President Reagan's plan for Palestinian autonomy on the West Bank and Gaza to be exercised in conjunction with Jordan.

Mr Yassir Arafat, the PLO chairman, would like to explore the U.S. proposals further but more radical Palestinian groups are urging outright rejection.

Philippines crackdown on Communist insurgents

BY EMILIA TAGAZA IN MANILA

TROOPS, boats and helicopters were rushed to the Mindanao region of the southern Philippines yesterday on the third day of the Philippine military's intensified campaign against Communist insurgents.

President Ferdinand Marcos last Monday ordered the deployment of more troops and weapons to Mindanao, following ambushes of government troops and civilians by the New People's Army (NPA) the military arm of the outlawed Communist Party of the Philippines (CPP).

Twenty-four people were reported killed in three NPA attacks in the province of Davao del Norte.

The military said that, as a result of the operations, nine Communist guerrillas were killed and 27 others were injured.

It says that the NPA has shifted the concentration of its forces to the northern and eastern Mindanao provinces adding that there are more than 1,000 NPA regulars in the area, with some 1,800 active supporters.

Japanese opposition loses important man

BY JUREK MARTIN IN TOKYO

THE SANDS of Japanese politics have shifted again with the death from a heart attack of the important number two man in the Japan Socialist Party (JSP), the largest opposition group in the Diet.

Mr Takeshi Hirabayashi had only held the post of party secretary-general since December, when he benefited from a mini-purge of the JSP's left-wing.

But it has been significant that since then the JSP has shown signs of getting together with some of the other opposition parties.

A testament to this co-operation has been the now unified motion by all the opposition parties calling on Mr Kakuei Tanaka, the former Prime Minister, to resign his seat in the Diet because of the Lockheed bribery accusation against him.

Mr Hirabayashi also managed to mend some fences with Komeito, the next largest opposition group, in a meeting with his counterpart last month.

Armed guards surround Mrs Gandhi in Assam

BY K. K. SHARMA IN NEW DELHI

PRIME MINISTER Indira Gandhi yesterday began a brief election tour of the violence-ridden north-eastern state of Assam, amid the tightest-ever security arranged for her. She spoke to a small gathering as thousands of armed paramilitary forces kept guard.

As she spoke, there were reports of renewed violence by agitators seeking the cancellation of the elections due to begin on Monday. Police fired on mobs seeking to storm Government offices and killed at least five people, bringing the death roll in the violence in Assam this month to more than 40.

Mrs Gandhi will spend just two days in Assam and another in the neighbouring state of Meghalaya where elections are also to be held on Monday. This is possibly the shortest spell of campaigning the Prime Minister has ever done in any election.

Mrs Gandhi's Congress (I) Party is expected to win easily in Assam because the elections are being boycotted by the main oppositon parties.

Australian recovery plan outlined by Hawke

By Michael Thompson-Noel in Sydney

THE AUSTRALIAN Labor Party (ALP) yesterday outlined an economic recovery programme designed to create 500,000 jobs and produce a growth rate of 5 per cent by 1986.

Mr Bob Hawke, the new ALP leader, also launched a bitter attack on the record of the ruling Liberal-National Party Government, claiming that its restrictive monetary policies had kept the Australian economy in "almost perpetual recession," apart from the resources boom, in the late 1970s.

Mr Hawke said Labor's plan for economic recovery included an extensive capital works programme, tax cuts, and support for the private sector.

The plan was attacked by Mr Malcolm Fraser, Prime Minister, who said it was "waffly and vague in the extreme." He said Labor had "blown" its election chances, and said the ALP plan foreshadowed a balance of payments crisis.

Mr Hawke said the initial cost of his programme would be a net first-year addition to the budget deficit of some A$1.5bn (£1bn). The budget deficit for 1982-83 is already likely to exceed A$4bn.

It was Mr Hawke's first major policy statement since succeeding Mr Bill Hayden as Labor leader last week.

Figures published yesterday showed that unemployment last month was 10.1 per cent, against 9.6 per cent in December and 6.5 per cent in January 1982. The seasonally-adjusted rate was 9.3 per cent, the same as for December.

Mr Hawke was breezy and relaxed yesterday, and said an important element of Labor's recovery plan would be a boost in public investment.

In addition to a community works programme, Labor planned to increase total housing starts to about 160,000 after three years.

Labor would also introduce a private sector assistance programme and an industry reconstruction plan.

On tax, Mr Hawke said Labor would introduce cuts for lower and middle-income earners.

"The total cost of Labor's expansionary measures would be of the order of A$2.75bn in our first full year," said Mr Hawke.

Why the nightmares may be just beginning for Ghana

BY A SPECIAL CORRESPONDENT IN ACCRA

SUNDAY MENSAH, aged 23, left Ghana for Nigeria two years ago after failing to find a job as an engineer in his native country. Now he is heading back to his home village near the town of Kumasi, again with little hope of finding any employment.

Although he could have stayed longer in Nigeria after the Lagos Government ordered the expulsion of all aliens last month because his qualifications gave him a four-week reprieve, he left because he feared reprisals from the Nigerian people. Yesterday, against the odds, he was optimistic about his future in Ghana.

Sunday is one of thousands of young men in their twenties who left their farms in disillusionment for the bright lights of oil-rich Nigeria. Known as the "Agege boys," after a notorious Lagos slum, they have returned to their country even more destitute than when they left.

A large cassette player or radio is probably their only asset. But as one Western diplomat put it: "The problems will start when they find they cannot buy new batteries."

Many expatriates in Accra are not waiting for the batteries to run out. Fearing the anger and frustration of returnees who cannot get jobs, they are taking extra security precautions and hoping for the best.

The first stages of the repatriation of the estimated 1m Ghanaians have been carried out swiftly and successfully by the Government of Flt Lt Jerry Rawlings. The desperate scenes at the border, the airport and the harbour are a nightmare of the past. Most of the returnees have set off by bus and truck for their villages.

Mr Ato Austin, the Secretary for Information, has told the Press in Accra that Ghana can cope with the influx provided that "internal resources could be mobilised." But there are growing fears that when the returnees discover how little there is for them in the villages, they will return to the urban areas, adding to already severe problems there.

It is generally recognised that without substantial foreign assistance the deportees from Nigeria will create insurmountable problems for an already unstable government in Accra. In the short term, the Ghanaian Government has asked for 20,000 tonnes of food over the next three months to feed the incoming deportees. It also needs large quantities of drugs.

Flt Lt Rawlings, chairman of the Provisional National Defence Council, has remained uncharacteristically quiet in the face of this latest setback.

Nigeria's chief fire officer and a senior Interior Ministry official have been accused in court in Lagos of accepting a Naira 50,000 (£47,000) bribe to allow the country's telecommunications headquarters to be set on fire, Reuter reports from Lagos.

AMERICAN NEWS

RIO DIARY

Crime and crisis fuel Carnival fever

by Andrew Whitley in Rio de Janeiro

RIO IS steaming in its summer heat. The digital time and temperature boards along the roadside show 30°C (86°F) at midnight. But the city electricity supply is more reliable than in the past and there are few blackouts these days.

Many of the roadside boards carry advertisements for Delfin, the privately-owned savings institution just taken over by the government to prevent it going into bankruptcy. Delfin was the small savers' piggy-bank, giving one of the best rates of return above Brazil's triple digit inflation. Its closure will be felt keenly in the Favelas, the squalid shanty areas draped over Rio's hills.

Long queues wind round the block outside branches of the Caixa Economica, the federal savings bank Delfin deposit-holders are anxious to check up on their accounts which have been transferred there. The people are wearing plastic sandals, shorts and lurid lycra tops — the uniform of the poor. A woman who had been saving for years for an operation to save her son's eyes now wonders aloud when it will happen.

It is the lot of the poor everywhere to queue while the better-off pay someone else to fix the problem for them. Nowhere is this better exemplified than in the often ugly scramble for tickets to watch the highlight of Carnival, the big parade of the Samba schools, which takes place next Sunday. Dede, a middle-aged black lady of ample girth, last week settled herself on the concrete outside the counter at the giant Maracana stadium, where the tickets for the grandstands which line both sides of the street are sold. Surrounded by her children, she guarded her position for days until the tickets were put on sale yesterday.

With a poor sense of timing, last year just before Carnival, Rio's then police chief decided to crack down on the "Jogo do Bicho," the illegal lottery conducted on street corners.

The crime-linked game channels huge sums of money into the hands of a few individuals, the big "bicheiros," who act as godfathers for their districts, supporting families in distress, financing the local Samba school—and lining their own pockets.

Amid much publicity, the police raided the bicheiros' dens and ignominiously hauled a number of the better-known names away to jail. In response, the fraternity threatened to withdraw their support for Carnival, endangering the parades which for many abroad are synonomous with Rio.

A compromise was reached. The bicheiros were quietly released and the show went ahead. Shortly afterwards, the police chief was replaced.

Now that the summer holidays in Brazil are at their height, the beaches are packed. Occasional thunderstorms send the golden sunbathers scampering for the shelter of a nearby pavement cafe. But the summer rains, with their accompanying annual stories of dozens killed and hundreds homeless, are virtually over.

The talk in the cafes along Avenida Atlantica is of the latest crime horror story. In distant Parana State, five men and a woman accused of murdering two taxi drivers were lynched by a gang of more than a hundred of the dead men's colleagues, who descended on the town jail in masks, number plates removed from their cabs.

Only Sr Carlos Lan Goni, the young central bank governor who, like all "cariocas" — residents of Rio—transferred to Brasilia to take up higher office, returns to his wife and home in Rio as many days a week as he can, is not around to enjoy the pleasures of summer.

He is off on his marathon travels abroad again, this time wooing the small banks, whose withdrawal from lending to Brazil last year helped precipitate the current financial crisis. The rescue package which Brazil proposed to the banks before Christmas is not progressing as well as either the Government or the International Monetary Fund would like.

Perhaps it was a central bank employee who was responsible for the offering to an unknown "candomble" — spirit cult deity — laid out neatly by the wayside on a quiet jungle road in the hills overlooking the city.

Giant zodiac-coloured butterflies as large as dinner plates, float above, imitating the young bloods who throw themselves off nearby Pedra Bonita — one of the most striking of Rio's bizarrely shaped mountains — to hang glide and circle above the city for hours before landing on San Conrado beach, to the applause of their admiring friends. Summer is here, Carnival is in the air.

U.S. suffers sharp decline in foreign investment

BY PAUL TAYLOR IN NEW YORK

THE NUMBER of overseas investments in U.S. manufacturing showed a further sharp decline last year, the third consecutive fall and one which mirrors the drop in U.S. domestic investment.

Figures released today by the Conference Board, an independent business research group, show that the number fell to 271 last year, from 348 in 1981 and 388 in 1980.

Last year's total was 38 per cent below the 434 investments recorded in 1979 which was the highest level for the 11 years statistics have been compiled.

The decline in 1982 reflected a particularly sharp cut in new plant construction which dropped from 114 in 1981 to 64 in 1982.

Expansion of existing foreign-owned facilities in the U.S. fell from 57 to 53 in 1982, compared to 67 in 1979. Acquisitions of U.S. companies also dropped from a high of 199 in 1979 to 177 in 1981 and 155 last year.

Almost all manufacturing industries registered declines. In the electrical and primary metals sectors, highest number of foreign investments, 85, was made in the machinery industry. The only major sector to show an increase in foreign investments was chemicals, where the number of new overseas investments increased from 43 in 1981 to 45 in 1982.

The board noted the steepest declines in foreign investment since 1979 have been in the rubber, primary metals, stone, clay and glass industries

Commenting on the figures yesterday, U.S. economists expressed little surprise that overseas investment had fallen so sharply.

Mr Russell Sheldon, senior economist at Pittsburgh's Mellon Bank, said "investment has been hit by the low level of capacity utilisation."

The strong dollar may have been f further factor pushing down overseas investment in the U.S., he added.

Manufacturing capacity utilisation fell to an average of 69.8 per cent last year, compared with 78.5 per cent in 1981, and sunk to a record low of 67.3 per cent in December.

Mellon Bank estimates total manufacturing investment in the U.S., including foreign investment, fell 4.3 per cent in real terms last year compared with 1.2 per cent decline for all sectors.

The U.S. Commerce Department has yet to produce final figures for 1982, although a report last month suggested the decline may be even sharper, with total capital spending falling to $319.9bn (£207.7bn).

The board report shows that UK companies continued to be the biggest investors in the U.S., with 63 new investments last year compared with 76 in 1981.

Rift opens in Washington over El Salvador talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

FIRST indications of a division in the ranks of the Reagan Administration over its policy towards El Salvador surfaced in Washington yesterday with reports that the State Department was considering a plan to arrange negotiations with the guerrillas trying to topple the country's right-wing government.

The reports are potentially embarrassing to the administration. Frustration is mounting in Congress over the political and military stalemate in El Salvador and Mrs Jeane Kirkpatrick, the U.S. Ambassador to the United Nations, is currently visiting the country to assure the regime of continued U.S. support.

The White House moved swiftly to crush suggestions that a policy change might be in the offing. It repeated past statements that the Salvedorean Government would be "willing to talk anytime the guerrillas wish to lay down their arms."

The issue came into the open after it was revealed that the State Department had drafted a "working paper" suggesting a possible new "two-track" approach.

The idea was that the U.S. should consider encouraging negotiations between the guerrillas and the government, possibly through a third country like Spain, while continuing to support the government's military efforts.

Diplomats said the paper was "signed off" by Mr Thomas Enders, Assistant Secretary for Inter-American Affairs, although he had not personally prepared it.

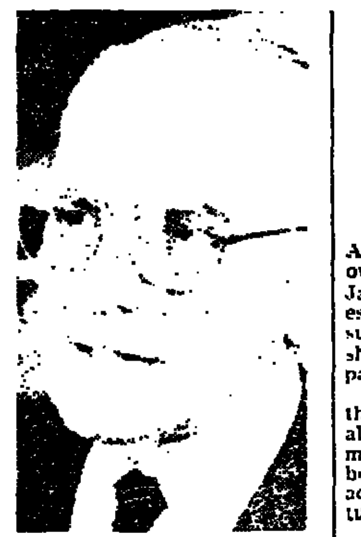
The suggestion ran into stiff opposition from Mr William Clark, Mr Reagan's National Security Adviser, and Mrs Kirkpatrick, both of whom adamantly oppose negotiations "at the point of a gun."

Mr Enders told Congress last week, that negotiations would not stop the killing of El Salvador. "No Latin American government has ever agreed to negotiate as an equal with its armed opposition and survived," he said.

Mr Enders was reported, however, to be concerned that Congress would insist on negotiations if the Administration did not take the lead.

AP adds from San Salvador: Mrs Kirkpatrick was quoted yesterday as saying the left-wing guerrillas battling the U.S.-backed Government "are near defeat.

"The guerrillas are winning nothing, nor do they hope to win," the newspaper Diaro de Hoy quoted Mrs Kirkpatrick as saying at the central elections commission.



President Reynaldo Bignone

Junta puts pressure on Bignone

By Jimmy Burns in Buenos Aires

ARGENTINE President Reynaldo Bignone was yesterday believed to be struggling for his political survival amid persistent reports of renewed military divisions and growing tensions between the armed forces and the politicians.

Government officials moved moved swiftly to deny suggestions that a major political reshuffle was being contemplated by some senior officers.

However, it is understood the President's conciliatory attitude towards the increasingly bellicose politicians has been privately criticised by the junta.

At the same time the junta is believed to be again facing considerable pressure from junior and middle-ranking officers for its apparent reluctance to conclude the investigation into the conduct of the Falklands war and allegations of corruption.

The junta is reported to have been angered by the publication last week of a statement by the five main political parties criticising the military regime's economic policies and demanding a handover of power to civilians by October 12.

President Bignone is currently negotiating with the politicians in the hope of postponing elections until November 6. The junta, however, is reported to be reluctant to bow to civilian pressure and would like to fix a timetable for elections without prior consultation.

The junta was yesterday reported to be considering formally charging a number of senior politicians with "criminal slander" because of their outspoken attacks on the armed forces.

The politicians include Sr Raul Alfonsin, a leading presidential candidate for a sector of the Radical Party, and his running mate, Sr Victor Martinez, a lawyer. Sr Alfonsin recently said the Falklands War had been a "costly adventure."

Chile may guarantee bank debts

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE CHILEAN Government is planning to offer some form of guarantee on the debt of private sector banks that is to be rescheduled under a $3.5bn (£2.3bn) package now being negotiated with foreign bank creditors.

This was stated in London yesterday by Sr Rolf Luders, the country's Finance Minister, who said he hoped to reach agreement with foreign banks on the recsheduling package in four to six weeks.

The decision to offer some form of guarantee—Sr Luders declined to be specific on the details—could help speed up the rescheduling talks.

The bulk of Chile's $17.3bn foreign debt is owed by the private sector and a lack of guarantee on this portion would have made it hard for most international banks to accept a rescheduling.

However, Chilean officials later made it clear the guarantee would only apply to the debt of private sector banks. The Government does not intend to assume responsibility for the direct foreign debt of the Chilean non-banking sector

It is not clear what will happen to this debt as it is excluded from the package currently under discussion. Besides new money amounting to some $900m, the package involves rescheduling of maturing medium- and long-term debt of the public sector and private sector banks and the rolling over of short-term credit lines.

Last month Chile closed down three financial institutions and appointed government administrators to five leading commercial banks.

Sr Luders said the affairs of these banks would be returned to the private sector in a year, but any guarantee of their rescheduled debt would be effective throughout the life of the rescheduling.

Th banks concerned, which included the country's two largest commercial banks, Banco de Chile and Banco de Santiago, had suffered loan losses totalling between 100 per cent and 300 per cent of their capital, he said.

WORLD TRADE NEWS

Row grows over Japanese radios for British ships

BY JASON CRISP

A ROW is growing in the UK over the fact that a Japanese company achieved the essential technical approval to supply marine radio for British ships from a government department.

British manufacturers fear they may lose their share of the already depressed market for marine radio and radar. They believe there is no chance of achieving a reciprocal opportunity to sell to Japanese ships.

Radio and radar equipment sold into ships of over 1,600 tons gross must have the "type" approval of the country of registration, irrespective of where the ship is manufactured. In the UK type approval for radio is performed by the Home Office and navigation equipment by the Department of Trade.

Last year the Japan Radio Corporation (JRC) sought type approval from the Home Office for marine radios. Approval was recently given. Marconi International Marine, a subsidiary of GEC which has the major share of the market for supplying radio to British merchant ships is likely to be hardest hit.

With a significant proportion of British ships being built in Japan and other Far Eastern countries it is feared the UK companies will be undercut on price. Japanese shipbuilders would also be likely to favour domestically made equipment.

The complaint is about the ease with which JRC has achieved approval without any consideration being given to the industrial implications. The policy of the Home Office and Trade Department is to test equipment from any manufacturer irrespective of trigin.

The Home Office engineers actually flew to Japan last year to perform the tests on JRC's equipment, at the company's expense. (The Home Office now tests equipment in the UK.)

The technical standards for Japanese ships is lower than the UK and diffrenet in part from the international standards. One British company said it would be impossible to sell to the Japanese ships because of the difference in standards and price. It is also though highly unlikely a foreign company would receive technical approval in a reasonable time span.

JRC also has applications for technical approval of marine radar equipment with the Department of Trade at the moment.

Greece seeks energy expertise

BY RAY DAFTER, ENERGY EDITOR

GREECE IS exploring ways of using UK technology to reduce its dependence on imported energy.

In particular, officials of the Greek Government are investigating ways of exploiting UK research and development into wind power and geothermal energy.

Aerogenerators are being built and tested in a number of UK sites — including Wales and the Orkney Islands, Scotland.

Mr Evangelos Kouloumbis, the Greek Energy Minister, told the Financial Times that these could provide an important source of electricity on Greece's many islands. The Greek Government had decided to instal 20.6 MW of aerogenerators, mainly on islands by 1987.

Mr Kouloumbis was speaking in London following talks with Mr Nigel Lawson, Energy Secretary, and officials of various energy authorities.

Mr Kouloumbis said that apart from wind power, Greece was also interested in exploiting the natural geothermal energy of hot rocks in a way now being tried in Cornwall and Hampshire.

The Greek Government is hoping to obtain European Economic Community aid for some of its proposed alternative energy projects.

Dr Andreas Papandreou's Socialist Government has frozen plans for nuclear power generation and decided fully to exploit the country's own indigenous energy resources. Mr Kouloumbis said that the country's dependence on imported energy had fallen from 70 per cent in 1981 to 68.6 per cent last year.

During his talks in London, accompanied by Mr A. D. Papavranoussis, managing director of Hellenic Aspropyrgos Refinery, Mr Kouloumbis also explored prospects for UK participation in a proposed $300m (£200m) oil refinery project.

Hellenic Aspropyrgos is planning to modernise the refinery by installing a catalytic cracking unit capable of producing a higher proportion of light products, such as petrol.

Mr Kouloumbis said that the scheme could be financed by a $300m syndicated loan.

"I believe that my country has not had the level of industrial co-operation with the UK that it should have," said Mr Kouloumbis, adding that his visit was intended to promote improved trading links.

"So far, however, British tenderers have submitted tenders which have been too high. This has been identified not only by myself but also by British people in the Government and at the private level."

● French, West German and Italian companies have tentatively agreed to negotiate a joint contract to buy liquefied natural gas from Cameroon, AP-DJ reports from Paris.

Gaz de France, Ruhrgas of West Germany and Snam of Italy have agreed in principle to establish a purchasing consortium, a Gaz de France official said.

The French and German concerns each will absorb 37.5 per cent of the LNG, with Snam taking the remaining 25 per cent. No contracts are expected to be worked out with Cameroon until 1984-85. The African nation has yet to start production.

● Tanzania has signed an 18-month agreement with Elf-Aquitaine for seismic exploration for oil off the Tanzanian coast, Reuter reports from Dar-es-Salaam. Exploration is to start in the next six months.

Daimler-Benz to build plant in Egypt

By Stewart Fleming in Frankfurt

DAIMLER-BENZ, the West German automobile manufacturer, is expecting that work will start this year on the construction of what it believes to be the first West German joint venture assembly plant in the Near East.

The company confirmed yesterday that the Egyptian Investment Authority has approved the plan to build a plant which will make medium and heavy trucks, buses and cars in Egypt.

The initial investment is estimated to be around DM 150m (£39.9m), with Daimler-Benz having a 25 per cent stake

Although further approvals are needed, the decision by the Investment Authority is seen as the decisive step. It is expected that production will be ready to begin in about 12-15 months.

ECGD restores Turkish cover

By Our World Trade Staff

THE EXPORT Credits Guarantee Department announced yesterday that a limited amount of insurance cover is to be restored for UK exports of goods and services to Turkey, sold on terms not exceeding 180 days credit, with effect from March 1. The cover will be conditional on bank security for payment being obtained in a form acceptable to ECGD.

The ECGD applied restrictions on cover for business with Turkey in 1977, because of the economic difficulties Turkey was experiencing at that time, resulting in debt rescheduling agreements.

Iraq asks Marubeni to reschedule payments

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

TWO JAPANESE trading companies involved in construction projects in Iraq confirmed yesterday that they had received requests from the Iraq Government to discuss possible rescheduling of the payments due in 1983.

The Iraqi letters made no specific proposals on the timetable for rescheduling.

The companies approached by Iraq are Marubeni Corporation which is involved in three major construction projects whose total value exceeds Y200bn (£549m) and Mitsubishi (two projects worth a total of around Y100bn). The two companies have yet to reply to the Iraq Government.

Several companies involved in plant contracts in Iraq denied that they had been contacted with requests for refinancing.

One such company, Chiyoda Chemical engineering, which has virtually completed work on an oil refinery and LNG plant, worth Y100bn together, said it had experienced no problems with payments.

Payments for construction projects being carried out by Japanese companies in Iran are on a cash basis with instalments due at various stages

The supposition is that Iraq wishes to shift from this system to some kind of deferred payment arrangement.

Turner & Newall in fibre import pact with Japan

BY CARLA RAPOPORT

TURNER & NEWALL, Britain's major manufacturer of absestos products, has reached a long-term agreement with Unitika, a Japanese synthetic fibre company to import a fibre which can replace asbestos.

Under the agreement, which was reached in principle last December, the Osaka-based company will export about 10 tons a month of Mewlon, a polyvinyl alcohol fibre. This amount is expected to increase to 80-90 tons a month by 1986.

T & N said yesterday that imported fibre will initially replace asbestos in about 10 per cent of its output of 15,000 tons of flat asbestos cement sheets a year. These sheets are primarily used in the construction industry. This proportion is expected to go up as the demand for the non-asbestos sheets grows.

The company said it expects to be able to use the new fibre in corrugated asbestos cement sheeting shortly. The company also plans to market Mewlon worldwide.

Currently, the worldwide demand for asbestos for use in asbestos cement amounts to about 2m tons annually.

T&N is also considering producing the fibre in the UK. In December, Hoechst, the West German chemical group, announced its own range of synthetic fibres which it said will be used to replace asbestos.

Houston rejected lowest rail cars bid

By Paul Taylor in New York

THE HOUSTON Metropolitan Transit Authority has revealed that it did not accept the lowest cash bid for its 130 railcar contract, which was awarded to a Hitachi and C.Itoh joint venture on Tuesday.

The Houston MTA said that it received 10 bids for the contract to supply cars for the 18.2-Mile first section of the Houston regional rail system, including five bids from Japanese companies.

The Hitachi-C.Itoh bid for $139.3m was $16m below the MTA engineers' estimates for the cost of the car but the MTA said yesterday that the "apparent low bid" of $110.9m was made by Can-Car Rail, a division of Hawker Siddeley Canada.

Can-Car Rail's bid was rejected, the MTA said, because it did not meet the full contract specifications for air conditioning, certain fire and safety requirements, braking system and the Houston MTA's requirement that bidders provide parts and maintenance for two years after delivery.

The Hitachi-C.Itoh bid was "the lowest responsive bid", the MTA said. The cars are due for delivery in 1986.

The other eight bids were received from Alsthom-Atlantique of France ($142.8m); Mitsui of Japan ($146.9m); West Cam Rail, a consortium composed of Westinghouse of the U.S., Francorail of France, and Metro-Cammell of the UK ($167.83m), Nissho Iwai of Japan ($177.6m); Budd Company of the U.S. ($187.1m); Sumitomo Corp. of Japan ($196.8m); MBB Transit of West Germany ($244.4m); and Marube of Japan ($256.4m).

The MTA said that all the bids met its condition that 50 per cent of the parts used in the cars be U.S. parts and that the cars be assembled in the U.S. It said that Hitachi and C.Itoh will use "100 per cent U.S. parts" and added that the cars may be built in Texas.

By specifying the U.S. minimum content, the MTA will be eligible, under the U.S. safe harbour leasing provisions, to sell its tax benefit to a U.S. corporation. The MTA said this should result in receipts of about $25m.

VW do Brasil wins $300m Iraqi contract

By Andrew Whitley in Rio de Janeiro

VOLKSWAGEN do Brasil, the leading Brazilian vehicle manufacturer, has won a $300m contract to supply Iraq with 50,000 cars over the next four years.

The contract is the largest single export order won by the Brazilian vehicle industry and strengthens Volkswagen's hopes of setting up an assembly plant in Iraq.

The Sao Paulo-based company is to begin shipping the first 20,000 four-door Passats destined for Iraq this year in March. Deliveries of a further 10,000 a year will take place up to late 1986.

Last week, VW do Brasil concluded an agreement with Algeria, another traditional market resuming purchases from Brazil after an interruption of over a year, with the sale of 4,000 Kombi utility vans worth $30m.

The two agreements in quick succession set the German-owned company well on its way to its 1983 export target of $450m. Along with virtually all the other Brazilian vehicle manufacturers, the company's sales abroad slumped last year – in VW's case to $200m.

After several years of intermittent negotiation with Iraq over the possibility of local car manufacturing by VW do Brasil, the company was cautious yesterday about the prospects.

Sr Admon Ganem, its commercial director, said VW do Brasil had advised the Iraqi Government to adopt a leisurely approach towards establishing its own vehicle industry.

Output from Volkswagen's Brazilian plants is currently running at about 1,650 vehicles a day and the Iraqi order is expected to boost production by a further 5 per cent.

VW do Brasil returned to profit last year after a disastrous 1981 when domestic sales slumped by over 40 per cent. However, the past year's results have not yet been disclosed.

The Passat has been established in recent years as one of the best selling passenger cars in Brazil, together with the long-running Beetle.

Last year, the Passat's domestic sales were overtaken by Volkswagen's locally named "Voyage," a middle range saloon intended to preserve the company's 45 per cent share of the Brazilian market until the launch next year of the larger and more luxurious Santana.

France suspends Iraqi cover. Page 2

EXPORT ADMINISTRATION ACT REVISION SOUGHT

Pressure on U.S. to ease overseas controls

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE REAGAN Administration is coming under increasing pressure from inside and outside the U.S. to loosen both policy and law on the application of foreign policy export controls

The pressure precedes the expiry next September of the Export Administration Act 1979, the law used last year to impose sanctions against companies, U.S. and foreign, providing equipment and technology to the Siberia-West Europe gas pipeline.

Foreign concern, expressed most recently by Mrs Thatcher, the Prime Minister, to Vice-President George Bush on Wednesday, stems from resentment that the U.S. should seek to control the companies of other countries in pursuance of its own foreign policy.

This chimes in with increasing worries among U.S. businessmen about what Mr Howard Lewis, assistant vice-president of the U.S. National Association of Manufacturers, called the "expansion of foreign policy controls" that are more than just a short-term inconvenience but "have long-term implications for U.S. international competitiveness."

At the same time, there is a movement in Congress to change the working of the foreign policy controls. The export control regulations are "a nightmare," according to Mr Lionel Olmer the Under Secretary of Commerce.

A movement is afoot in the U.S. Congress to change the working of foreign policy controls. The export control regulations are a "nightmare," Mr Lionel Olmer, Under-Secretary of Commerce, says.

The regulations provide the working parts for the Export Administration Act, which essentially is enabling legislation that lists broad criteria for the imposition of controls.

It covers both national security and foreign policy controls, but it is the latter which create concern. Criteria for the use of foreign policy controls include the reaction of other countries to their imposition and the effect on the competitive position of the U.S. Industry is supposed to be consulted.

Documents from the National Association of Manufacturers reveal that the consultations with industry on the pipeline sanctions were considered to be at best perfunctory.

More significantly, the Association is concerned about the retroactive application of controls to regulate technology sales already the subject of bona fide contracts. Much of the technology used by European manufacturers for the pipeline is of U.S. origin.

Further the repercussions of the foreign policy controls are "especially disturbing in the light of foreign availability of so many of the products covered by U.S. control regulations." Mr Lewis said in a recent speech.

And, he claims, there seems to exist a temptation to impose controls when the U.S. has a competitive advantage. He cited large diameter pipes, submersible pumps and drilling bits.

But it is not yet clear whether bodies like the Association will decide to push for the abolition of foreign policy controls—unique to the U.S.—or whether it will be content to see changes in the implementation of controls.

Precise recommendations on legislative action will probably be clearer next month when full Congressional hearings start on the form of a new or revised Export Administration Act.

Ideas abound. Senator Jake Garn wants the administration of controls entrusted to a new Office of Strategic Trade, a move opposed by the Administration.

Senator John Heinz wants legislation to provide for the sanctity of existing contracts, tighter criteria for the use of foreign policy controls and a transfer of responsibility for their administration from the Commerce to the Customs Department.

The debate will be watched anxiously in Europe given the disruptions to trade already caused by U.S. control actions over recent years on countries like Cuba, Vietnam, Iran, Libya and on the pipeline.

CBI calls on Washington to boost trade

By Lynton McLain

SIR TERENCE BECKETT, director-general of the Confederation of British Industry, yesterday urged the U.S. to take the lead in boosting world trade through lower interest rates.

He told the American Chamber of Commerce in London that in Britain there were indications that tight monetary policies were allowing "more flexibility" in the economy. Sir Terence would not say what action the U.S. authorities should adopt.

"How U.S. rates can be brought down is a matter for America and the Americans, but in making such decisions and taking action, they have to recognise their crucial role on the international monetary scene."

The CBI had forecast a growth of 1¼ per cent in the British economy this year. But this depended on a growth of 2 per cent in world economies as a whole.

UK NEWS

Price of strip mill products to rise 10%

BY PETER BRUCE AND IAN RODGER

THE BRITISH Steel Corporation will announce price increases of about 10 per cent next week on its main strip mill products.

The increases, which will be applied to hot rolled and cold reduced coils from April 1, reflect BSC's confidence that the recent upturn in demand for British steel will be sustained. The corporation last raised its prices in January, 1982, but discounting became widespread late last year as demand slumped.

Another indication of a firming of demand came in the British steel production figures for January published yesterday. Production last month averaged 259,300 tonnes per week, about 12 per cent above the depressed rates of last autumn, although still 8.5 per cent below the rate in January 1982.

The underlying improvement is stronger than the latest figures ind icate. The January average was pulled down by the slow return to production at many works after the Christmas break.

The improvement in the UK is in contrast to trends elsewhere in Europe. French steel production, for example, was 24 per cent lower in January than a year earlier.

Mr Ron Cash, secretary of the National Association of Steel Stockholders, said leading UK stockholders had been given advance notice of the BSC price increases, £17 on hot rolled coils, raising the price to £210 per tonne, and £24 on cold reduced coils, raising the price to £266 per tonne.

"I'm surprised that they have gone and notified so early. Continental (European) mills are being very cautious about quoting into the second quarter," he said.

There have been indications that the recent sharp decline in the value of sterling has discouraged some overseas steel producers from selling in the UK, and opened the way for the BSC to try to increase its prices and market shares.

However, the picture is not uniform across the steel product range. Last week, BSC had to reduce its list prices for welded tubes and hollow sections by 25 per cent in recognition of the substantial erosion that has taken place in the markets for those products

ICI plans to build £20m acid plant

By Carla Rapoport

IMPERIAL Chemical Industries (ICI), one of Britain's largest manufacturing groups, has announced its first capital investment in three years.

The company plans to build a £20m hydrofluoric acid plant at Runcorn, Cheshire. ICI is a world leader in the £1bn hydrofluoric acid market.

The substance is an important intermediate in the manufacture of fluorinated derivatives such as refrigerants, propellants and solvents.

The new facility will replace existing plant, but will provide opportunity for expansion if the demand for the intermediate continues to grow. The plant is expected to be completed in 1985 and will result in the loss of about 50 jobs.

At its peak, the construction force is expected to number 200. ICI said yesterday that 90 per cent of the equipment for the plant will be bought from UK suppliers.

The chemical group will be reporting its 1982 results in less than two weeks time. The City is expecting a drop in profits from last year's £335m pre-tax profit, but expects the company substantially to improve its profitability in the current year.

PARLIAMENT TO HOLD EMERGENCY DEBATE

Water strike bites harder

BY IVOR OWEN AND PHILIP BASSETT

AN EMERGENCY House of Commons debate will be held on Monday on the national water strike, which has now lasted for nearly three weeks.

The effects of the strike hardened yesterday, and Mr Gerald Kaufman, the Labour Party spokesman on the environment who will open the debate, warned of the potentially grave danger to public health.

Mr Tom King, the Environment Secretary, said that if the need arose the Government would intervene to protect the life and health of the community.

A power station at Leeds closed yesterday because water quality was below standard. The number of properties without mains supplies rose to 38,500, and the number advised to boil water before use rose to 7m. In Birmingham, water authorities appealed for water use to be cut by 20 per cent in an effort to prevent serious disruption of supplies.

Mr Kaufman contended that the National Water Council (NWC), the employers, had mishandled the negotiations and he endorsed demands by the unions for an inquiry into the pay dispute.

The unions want a 15 per cent rise and the employers have offered 7.3 per cent over 16 months, although earlier this week they said that they had miscalculated the offer. They claimed that it was, in fact, 8.5 per cent on average.

Mr David Steel: criticised 'incompetent' negotiations

Mr David Steel, the Liberal party leader, supported the call for an inquiry. There was a widespread impression, he said, that the negotiations had been conducted with "an unparalleled degree of downright incompetence."

Leaders of the 28,500 striking workers made it clear yesterday that they would not reject out of hand the findings of a committee of inquiry.

Efforts by the Advisory, Conciliation and Arbitration Service (Acas) to set up such a committee had collapsed after the employers rejected the idea because of the unions' insistence that they would not accept its findings as binding.

However, Mr Eddie Newall, secretary of the trade union side, said yesterday: "If we got into such a high-ranking inquiry we would find it very difficult – if not impossible – to walk away from the findings."

Mr Ron Keating, chairman for the unions, said the experience was that trade unions tended to accept the findings of such inquiries. He said: "If the employers went to an inquiry, and it came down against us, and we walked away from it – they would certainly be in a better position than they are now."

Employers' leaders were unable to say what they would lose if they agreed to a non-binding inquiry, particularly if it would be quickly concluded, as would be likely.

The NWC insisted that any inquiry would have to be binding. But it was careful to stress that it was not rejecting the principle of such an inquiry.

Sir Robert Marshall, a former NWC chairman, yesterday attacked the Government's interference in the dispute. He said the Government's involvement made for "impossible negotiating positions."

Arbitrator to rule in claims against ex-Howden directors

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

FOUR former directors of Alexander Howden may have succeeded in heading off the multi-million dollar High Court claim for damages for alleged fraud and misrepresentation brought against them by Alexander & Alexander Services, which acquired Howden last year.

A Commercial Court judge yesterday ruled in London that an arbitrator must decide whether A & A is bound by a secret agreement made last August not to take civil court proceedings against the four.

Mr Justice Lloyd, sitting in private, granted Mr Kenneth Grob, the former Howden chairman, Mr Allan Page, Mr Ronald Comery and Mr Jack Carpenter an order staying A & A's and Howden's actions pending the outcome of the arbitration.

A & A and Howden were given leave to appeal against the order.

The companies issued writs against the four and Mr Ian Posgate last September, alleging that substantial amounts of Howden's assets had been misappropriated and chanelled into offshore companies controlled by the defendants, or in which they had an interest.

The writs acknowledged that on August 14, A & A agreed not to take civil proceedings against Mr Grob, Mr Page, Mr Comery and Mr Carpenter provided they returned certain assets – including a villa in the South of France, works of art and shares – to a total value of about $29m.

The agreement to release from legal proceedings was made conditional upon the four making full disclosure of all aspects of the transactions in dispute and of all of their assets arising from those transactions.

A & A contend that the four did not fulfil those conditions and that the August agreement is, therefore, nullified.

Mr Grob, Mr Page, Mr Comery and Mr Carpenter have contended that they fulfilled their side of the agreement and returned virtually all the assets in question.

If the arbitrater holds that the four did fulfil their side of the agreement, A & A will be able to take the matter no further.

If, however, the arbitrator decides that the release conditions were not fully complied with, A & A's action in the High Court will go ahead.

Steel chief interested in top coal job

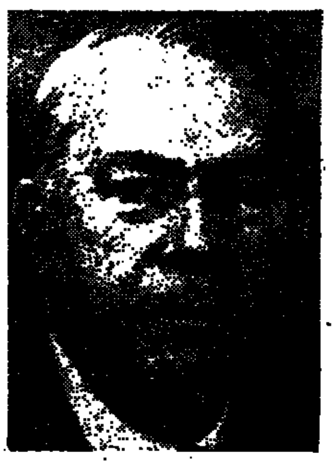
BY IAN RODGER

MR IAN MacGregor has confirmed his interest in becoming chairman of the National Coal Board in July when Mr Norman Siddall, the present chairman, retires.

The 70-year-old chairman of the British Steel Corporation (BSC) said in a statement that he had discussed the matter with the Government "but many factors have to be considered before any decision is taken."

A spokesman said that Mr MacGregor's family would prefer that he return to the U.S. but that he himself was eager to administer to the coal board the same harsh medicine he applied to BSC.

More than 80,000 jobs have been cut at BSC since Mr MacGregor became chairman nearly three years ago.



MacGregor: eager to dispense harsh medicine

He is said to believe that the coal board is extremely inefficient and a drag on the entire UK economy because high energy prices hurt the competitive position of British industry in the world. He is upset that, unlike other nationalised industries the Coal Board has not improved its performance much during the current recession.

Mr MacGregor is knowledgeable about the mining industry, having been chairman of Amax, the large U.S. metals and mining group from 1966 to 1977.

He is also admired by Mrs Margaret Thatcher the Prime Minister. She said in the House of Commons on Tuesday that he had done "a superlative job" at BSC.

If he takes the coal job – and a decision is expected very soon – he would leave the BSC when his three-year contract expires in June.

Notwithstanding the collapse in demand last year, he believes the steel corporation is well on course for survival and that it has competent managers to carry on. He strongly recommends that Mr Bob Scholey, BSC's deputy chairman, succeed him, although it is acknowledged that Mr Scholey is not popular in some Government circles.

UK NEWS

British Gas raises value of Dorset oilfield stake

BY RAY DAFTER, ENERGY EDITOR

BRITISH GAS is understood to have raised the valuation of its holding in the Wytch Farm oilfield in Dorset by over 11 per cent, to £500m, and further frustrated the Government's attempt to sell the assets to private interests.

Wytch Farm is by far the largest onshore oilfield in the UK.

The new estimate, based on recent drilling results, has widened the gap between the state-owned coporation's valuation and the prices bid by potential buyers. In a recent auction, three groups are understood to have offered considerably less than £200m for British Gas's 50 per cent interest in Wytch Farm.

Mr Nigel Lawson, Energy Secretary, is now reconsidering his privatisation proposals for Wytch Farm. He is anxious not to be seen to be selling the assets too cheaply.

British Gas, which opposes the sale, last year valued its share of the assets at £450m. The estimate, provided to the all-party energy select committee of MPs, was based on proven reserves for the field of 221m barrels together with 130m barrels of "probable" recoverable reserves.

Since then British Gas, operator of the field, has conducted further drilling tests with the result that it has increased its estimate of proven reserves. It is understood that these estimates, together with the valuation of assets, have been passed to the Energy Department.

Mr Lawson and his advisers are still considering ways in which to dispose of the British Gas assets. It is understood that the three bidding groups have been asked to revise their offers.

The three groups were: a consortium of independent companies led by London and Scottish Marine Oil: *a group led by Rio Tinto-Zinc ano* including Charterhouse Petroleum and Associated British Foods; and an independent company, Ashdown Oil. It is thought that none of these groups offered a cash payment of more than £100m, although the offers did include provisions for further payments once more was known about the field's reserves and production prospects.

Mr Lawson, who remains committed to the disposal of the British Gas interest, has three basic options:

- He can go ahead with the sale and risk being accused of selling the assets too cheaply. British Petroleum, holder of the other 50 per cent stake, has the option of buying the British Gas share just by matching any other bid;
- He can proceed on the basis of restructured bids;
- He can roll the Wytch Farm sale into a much wider disposal of British Gas oil assets planned by the Government.

Lloyd's considers £10m case of the kidnapped racehorse

BY JOHN MOORE, CITY CORRESPONDENT

"IT IS a mare's nest," quipped the Lloyd's of London man. He was reflecting on the possibility *of a string of insurance* claims from a syndicate of investors in the kidnapped stallion Shergar.

Gallows humour was very much in evidence among livestock insurance underwriters in London yesterday. After all, they could face up to £10m in insurance claims for Shergar. The racehorse, which won the 1981 English Derby and is one of the most valuable in the world, was kidnapped in Ireland on Tuesday night. A ransom demand for £2m has been made.

About half of the insurance for Shergar is placed with Lloyd's underwriters and the balance is insured with insurance companies. But yesterday it emerged *that not all the investors had tak*en out insurance on their investment.

"They are, after all, millionaires and wouldn't necessarily worry about something like that," one livestock specialist said yesterday.

Some 34 individuals have bought a share or shares in Shergar at £250,000 each. The Aga Khan heads the syndicate, with six shares, with the free nomina*tion on four more shares for* allowing the horse to stand at his stud farm.

The syndicate of investors is a gazette of the rich and famous. It includes Stavros Niarchos, Baron Guy de Rothschild, Robert Sargster and Lord Derby.

It is the individual investors who take out insurance on their share of Shergar, so underwriters could be faced with, at worst, 34 individual claims.

Even if *those investors* who are insured do claim, the issue could be open to dispute. There is no specific insurance cover for kidnap and ransom of horses, although horses can be covered for "proven" theft.

An underwriter explained: "Theft needs to be established. You just can't rely on the evidence of a swinging stable door and an empty stable. But kidnap is a very grey area, and this is likely to be the subject of much discussion over the Shergar case."

Other exclusions under a typical Lloyd's livestock insurance policy are "malicious or wilful injury whether or not caused by any assured," the effects of radiation, intentional slaughter, death caused by war, confiscation by any government and revolution.

In Lloyd's there are five spe*cialist livestock insurance syndi*cates comprised of members of Lloyd's. Other Lloyd's syndicates engaged in other insurance business also participate in the insurance of livestock. Specialists said yesterday that premium rates could be around 3 per cent of the insured value for horses.

Underwriters, in certain circumstances, may insist that the assured must bear some part of the loss himself before he can collect on his policy for claims. In insurance terms, this is known as a deductible.

BA 'winter sale' in U.S. fares

By Michael Donne,
Aerospace Correspondent

BRITISH AIRWAYS is offering an end-of-winter sale of tickets to many U.S. destinations from Heathrow Airport – London.

A passenger booking by February 21 and making the flight by February 28 will pay up to £70 below normal seasonal rates for a Super Apex return journey.

The return fares now being offered from London include: Chicago £325 (£30 off); Detroit £325 (£20 off); Los Angeles, San Francisco and Seattle £340 (£70 off); Miami and Tampa £256 (£45 off); Orlando £256 (£43 off); and Washington £310 (£16 *off*).

The aim is to fill aircraft that would otherwise have empty seats because of slack traffic at this end of the winter and to encourage North Atlantic travel generally.

BA believes potential travellers have been discouraged by high fares and thinks that if they can be encouraged to fly to the U.S. at least once, they may fly there again.

The airline says the 21-days advance booking required for Super Apex tickets is being waived and travellers will be able to stay in the U.S. for between five and 21 days.

- BA is also now offering a supersonic air successor to the luxury cruise – an 18-days holiday by Concorde to the U.S. and the Pacific for just under £8,000.

The trip starts with a flight by Concorde to Washington, takes in Las Vegas, San Francisco, Hawaii, Vancouver, Edmonton and New York and returns to London by Concorde all the way.

OECD economic survey of the UK

Recovery expected to be very weak

BY ROBIN PAULEY, ECONOMICS STAFF

THERE IS considerable doubt as to whether the basis for a strong economic recovery exists in Britain, in spite of the Government's anti-inflationary efforts since 1979. This *is according to the latest analysis* by the Paris-based Organisation for Economic Co-operation and Development (OECD).

The OECD says the central part of the policy approach has succeeded: the rate of inflation, influenced by weak import prices and, lately, lower pay settlements, fell from more than 20 per cent in 1979 to about 6 per cent at the end of last year. It was the lowest rate for more than 11 years.

On the other hand, the falls in output and employment were severe – greater than envisaged by the Government and greater than in most other OECD countries.

The world recession has contributed to the sharp fall in UK manufacturing production, to a level 16 per cent below that of 1979, and to the rise in unemployment from 5 per cent of the workforce to 12 per cent. But a worse factor has been the unprecedented loss of competitiveness since 1979–80, coupled with *the rise in the value of the pound.*

Although the rate of inflation will fall lower – and even here the OECD is more gloomy, predicting 6 per cent by 1984 compared with 4½ per cent which it forecast for 1984 only two months ago – the recovery in demand is expected to be very weak.

Productive investments and exports are not expected to recover at all, export market shares will fall further, the current external account will deteriorate and unemployment will continue to rise to 14½ per cent of the workforce by 1984.

The unsatisfactory outlook for the economy does not mean fiscal policy should be significantly relaxed. *A cut in personal taxation in* the budget next month would not have worthwhile employment effects although tax burdens could be eased at the bottom end of the scale. But the main thrust of adjustments should be to ease industry's costs. Improvements in productivity and competitiveness were crucial, as was a stronger dialogue between Government, employers and unions over pay.

The OECD bases its gloomy pro*jections on the assumption* that world trade will recover gradually to a rate of growth of between 4 and 5 per cent in the first half of 1984.

It also assumes that rising unemployment, the fall in the inflation rate and the Government's policy of limiting public sector pay rises will all cause the underlying growth of average earnings to decelerate to around 6¼ per cent by mid-1984. It assumes that real interest rates, still historically high, will be marginally reduced.

By also assuming unchanged exchange rates and policies, with the easing of fiscal policy which this implies to remain consistent with the medium-term financial strategy, the report predicts labour costs to be rising at an annual rate of only about 4½ per cent by mid-1984. That would be the lowest rate since 1965.

Consumer spending is expected to grow and, despite some further reduction in employment, govern*ment consumption is also expected* to rise up to mid-1984.

Public sector investment is predicted to be strongly expansionary in 1983–84. But it is at such a low ebb that even by mid-1984, the OECD says, it may still be about 63 per cent below *the level of 1974.*

The report assumes that part of the fiscal adjustment needed to raise the British public sector borrowing requirement to its original planned level of 2¾ per cent of gross domestic product (GDP) in 1983-84 will take the form of higher capital spending.

The significant restructuring in industry and services to try to contain labour costs and a small decline in real interest rates could al*so help the rise in capital invest*ment.

However, the report expects investment in manufacturing to remain weak. It will reflect the substantial margin of unutilised capacity, sluggish world demand up to the middle of this year at least, and the weak cost and price competitiveness of wide sectors of British industry and services.

Short-term prospects
(Annual percentage change from previous period)

	1981	1982	1983 First half	1983 Second half	1984 First half
Private consumption	0.4	1	½	½	1
Government consumption	0.0	1¼	½	1	1
Fixed investment	−8.2	2½	−½	3	2¾
Public	−17.6	−4½	4½	4¾	5¾
Private	−3.8	5½	−2¾	2½	1¾
Final domestic demand	−1.2	1¼	¼	1	1¼
Stockbuilding*	−0.3	1	2	1	½
Compromise adjustment*	−0.2	−¼	−¼	0	½
Total domestic demand	−1.6	2	2	2	2
Exports	−2.2	−¼	3½	3¼	3¾
Imports	−0.3	4¾	4	4½	4½
Real Foreign Balance	−0.5	−1¼	−¼	−½	−½
GDP at market prices	−2.2	¾	1¾	1½	1¾
Memorandum items:					
Real personal disposable income	−1.9	−2¼	1	1	¾
Personal savings rate	13.4	10¾	9¾	10	10
Private consumption deflator	10.9	8	6¼	6	6
Manufacturing production	−6.4	−¼	¾	1¼	1½
Employees in employment	−4.5	−3	−2	−1	−¾
Unemployment rate**	11.3	13	14	14½	14½

** Change as a per cent of GDP in the previous period*
*** United Kingdom, including school leavers as a per cent of total employees*
Sources: Economic Trends, CSO and OECD

As the OECD projections are based on the assumption of a recovery phase for the world economy, the expected rise in British GDP is very weak. *Continuous growth of* total domestic demand, averaging anannual rate of 2 per cent over the three half-years to mid-1984, is expected to be partly offset by deteriorating real foreign balances, giving an annual rate of growth of real GDP of only 1¾ per cent.

The growth of manufacturing output will be even less, reflecting the continuing loss of both external and domestic market shares.

The unusually large deterioration *of external competitiveness of* recent years will continue to affect trade flows.

In the past, both export prices and profits on exportables (and on import-competing goods) moved relatively smoothly. However, since 1979 the former experienced an extraordinarily big rise and the latter an equally important decline, with many companies actually incurring heavy losses.

Under these conditions a sizeable deterioration in competitiveness has two important effects:

- In view of the relative price rise of British goods, importers shift to other producers and British consumers switch to imports;
- Supply is affected as loss of profits on export sand weak domestic demand lead, over time, to a cut in output and capacity.

The second of these effects is expected to become more important between now and mid-1984, although the recent sharp decline in the exchange rate should offset it. If *there is an ensuing improvement in* competitiveness (which would occur unless sterling appreciated again), the loss of export market shares might be limited to around 1 per cent. That would be significantly below the long-run trend loss of the past two decades.

The report spends some time analysing the decline in British competitiveness. The increase in relative unit labour costs was about 45 per cent between the average level of the five years *to 1977* and the five years to 1982. Appreciation of sterling accounted for about five of these percentage points and high pay rises coupled with low productivity for the other 40.

In the first few years after 1977, higher labour costs reflected in export prices considerably raised the value of manufactured exports, resulting in substantial gains in market shares in value in the four years to 1980.

However, as time passed, the effects on export *volumes* of high export prices and relative costs began to gather strength to give historically large losses in (volume) export market shares in manufactured goods.

The cumulative volume loss in export market shares in this sector has been 25 per cent in the last five years, as much as during the previous 10 years.

This has been matched by growing import penetration of the UK home market. Import penetration increased by about seven percentage points to 23¼ per cent of the home market between 1970 and 1974, reflecting buoyant domestic demand *and loss of* competitiveness up to 1972.

Competitiveness improved and the rate of growth of import penetration declined between 1975 and 1979 when it had reached 25¾ per cent.

In 1980 and early 1981, the depth of the recession and related destocking more than offset the deterioration of competitiveness. So contraction of home demand was accompanied by a fall in the volume of (non-oil) imports.

Since mid-1981, however, non-oil imports have risen dramatically with imported manfactured goods rising fastest – up 10 per cent with a corresponding 16 per cent fall in UK manufacturing output.

Union may end lorry objection

BY BRIAN GROOM, LABOUR STAFF

THE Transport and General Workers' Union (TGWU) is likely to drop its refusal to co-operate with the introduction in the UK of 38-tonne lorries. Drivers are making clear that they wish to operate the vehicles.

The legal limit on lorry weights will rise from 32.5 to 38 tonnes, spread over five axles, from May 1. A number of companies are already placing orders to convert their trailers.

The TGWU's commercial road transport committee will put a resolution to the union's biennial delegate conference in July, recommending that its opposition be dropped. Branches have indicated that members would drive the vehicles regardless of official policy.

The union was strongly opposed to the increased weights, largely because of fears that they would mean fewer jobs. TGWU leaders now hope that an upturn in the economy will come in time to prevent any job losses.

The Freight Transport Association, representing transport users and companies which operate their own fleets, said it was pleased that there seemed to be "a diminishing complaint from drivers." It believes job losses are unlikely.

Strong interest in heavier lorries has been shown in sectors such as steel, bricks and beer. In the hire-and-reward sector of road haulage, international containers and those carrying sea containers are most likely to use the higher weights.

No firm pattern has yet emerged of the kind of payments companies are prepared to make to drivers of the heavier lorries.

- This year's delayed pay negotia*tions for oil company tanker drivers* should reach a peaceful conclusion later this month.

Shell and BP have both refused to change their respective offers of 7 and 6.4 per cent, plus a 37½-hour week on a *self-financing* basis, and an industry-wide ballot is likely to take place on February 21.

Mine safety standards slipping, says Scargill

BY DAVID GOODHART

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (*NUM*), said yesterday that safety standards in the British coalfields were seriously deteriorating because of a shortage of mine inspectors.

He said the number of inspectors had dropped from the "nationally agreed" figure of 125 to 93 and over the next four years would fall by a further 30 as inspectors retired.

Mr Scargill, speaking after yesterday's NUM executive meeting, said that the number of accidents in relation to the number of men employed in the industry had increased since the introduction of a bonus scheme in 1978 and added: "We are demanding something be done, and done urgently."

The union will be making approaches to Mr Nigel Lawson, Energy Secretary, and to Mr Michael Foot, Opposition leader.

A further dispute between the NUM and the National Coal Board has arisen over the membership of the National Reference Tribunal – the industry's top conciliation system. The two sides have failed to agree on a recommendation to put to *Lord Donaldson, the Master of* the Rolls, who is responsible for appointing members to the tribunal.

Talks on strike at Ford

Financial Times Reporter

JOINT TALKS will be held at national level in London today in an attempt to find a peace formula to end an unofficial strike by 550 foremen and supervisors which has halted car production for three days at the Ford car plant at Halewood, Merseyside.

A management spokesman at *Halewood said yesterday that,* by the end of last night's shift, Ford would have lost production of 2,800 Escort cars, Britain's top-selling model. They were worth £14m at showroom prices.

The strike has caused 7,000 *hourly-paid workers to be laid off* from the body and assembly plants. Only limited production is continuing in other parts of the factory.

Senior Ford executives will meet national leaders of the white-collar union ASTMS today and management representatives from Halewood will also attend.

The 550 men involved, all members of ASTMS, have voted to stay on indefinite strike in a dispute over training procedures.

Management says that the supervisor should be responsible for training operators for the production lines but the foremen claim it is the responsibility of the senior operators on the lines.

Barclays' planned withdrawal

ALTHOUGH NOT entirely unexpected, the decision by Barclays Bank to pull out of its factoring business in Britain is a blow to oth*ers in what is still a relatively* young industry in the UK.

The bank's apparent lack of confidence in the market comes at a time when its competitors in this sector are under pressure from the recession and have been trying to promote more aggressively the advantages of their services.

Barclays has announced that discussions are taking place for the transfer of the business of Barclays Factoring to Anglo Factoring Ser*vices, a subsidiary of J. Rothschild* and Co and a member of the RIT and Northern Group.

Anglo Factoring – headed by Mr Ben Hosh and set up at the beginning of 1981 – is at present the smallest of the nine members of the *Association of British Factors* (ABF). But the deal with Barclays will create of sizeable new independent force in factoring.

Factoring arrived in Britain from the U.S. in the early 1960s and has been dominated by the major banks. Factors offer three distinct services – they run a client company's sales ledger, send off statements and collect money owed; they advance cash against the security of invoices and they provide bad debt protection, often known as "non-recourse" factoring.

Although factoring is viewed with suspicion in some quarters – the service is sometimes perceived to be expensive and bad for customer relations – factored turnover from an admittedly low base has grown by leaps and bounds in Britain over the last decade.

The volume of business of the nine members of ABF, for example, has increased from just over £700m in 1976 to £2.36bn at the end of 1982 including a 17 per cent jump last year.

Factors have worked hard to improve their image and gain wider acceptability as a legitimate financial service. In recent months the

Tim Dickson looks at the decision by Barclays Bank to drop its factoring business in Britain.

*ABF has particularly been stress*ing the value of bad debt protection at a time of deep recession.

Barclays Factoring has had problems in the last couple of years and in 1981 it turned in a loss of £2m. This was due largely to a major customer default. At the start of last year trouble struck again, although thanks to recoveries from previous bad debts the Barclays factoring subsidiary is expected to show a small net profit for last year.

The bank feels that other banking services have undermined the factoring market and that factoring overheads have become increasingly high.

Ironically, the management and staff of Barclays Factoring strongly dispute the decision to withdraw and competitors take a much more optimistic view.

Other factoring groups point out that Barclays was the last of the large banks to enter the UK market in 1972 and failed to make the impression which might have been expected as a result of its size and reputation in other sectors.

With £141m of factored turnover last year (6 per cent of the UK total), it lagged well behind Credit Factoring International (National Westminster bank) and Griffin Factors (Midland bank).

Mr Roger Pilcher, chairman of the ABF, said yesterday that he was surprised Barclays was pulling out at a time when other factoring companies were seeing a good future. "Obviously they have made the decision for company rather *than market reasons,*" he said.

Commenting on the doubling of bad debts which members of the ABF had to absorb on behalf of clients last year, from £2.2m to £4.5m, Mr Pilcher said: "These are obviously taken into account during a recession. We make provisions for these sort of losses on a four or five year view so we are not suffering."

He added that his own company, Credit Factoring International, had increased profits from £511,000 in the year to September 1981 to £930,000 in the 12 months to last September while International Factors recently announced that pretax profits had gone up nearly three fold.

Assurance on reactor safety

Financial Times Reporter

FULL CONFIDENCE existed in the reliability of techniques to detect cracks in the pressure vessel of the Sizewell B reactor, a public inquiry was told yesterday.

Dr Michael Whittle, head of nondestructive testing for the Central Electricity Generating Board (CEGB), said ultrasonic devices would be used to ensure that no *significant cracks occurred in the* thick steel pressure vessel or other major components of the proposed pressurised water reactor (PWR), which the CEGB is seeking to build at Sizewell, on the east coast of England.

The techniques were such that the probability of significant defects remaining undetected was low. Dr Bryan Edmundson, director of the CEGB's nuclear operations support group, said cracks in the pressure vessel which might escape detection would not be big enough to threaten safety during the plant's lifetime.

He said there had been no serious failures in PWR pressure vessels in nearly 4,000 reactor years of plant operation throughout the world. The probability of failure of the Sizewell B reactor vessel would be so low that it would not have to be taken into account, he said.

Design approaches, to ensure the best possible standard of safety, had been more *stringent* for Sizewell B than for similar plants

Failure of the pressure vessel to cope with an emergency could lead to a loss of coolant in the core and a breach of the containment building causing the release of radioactivity.

Dr Edmundson said pressure and temperature in the vessel would be lower than in similar ones used in the chemical industry. The design contract for the Sizewell B pressure vessel had been placed with Framatome in France which had been told it would also get the construction contract if Sizewell B went ahead.

Labour promises legislation to reform pension funds 'mess'

BY ERIC SHORT

THE PENSIONS industry, particularly the private sector, was failing to maintain the real value of pensions in payment, **Mr Brynmor John**, opposition spokesman on social security, said yesterday.

Mr John, who was speaking at the second day of the Financial Times pension conference in London, pointed out that there were some 4m people currently receiving pensions from occupational *schemes. But the number of* company schemes trying to make any provision for inflation-proofing was patchy and their efforts were spasmodic.

Legislation was the only method of tackling the problem of inflation-proofing to avoid protracted delays in getting a voluntary settlement and remove the present feeling of insecurity in pensioners.

The whole of the present law governing and surrounding pension funds was in a mass and a Pensions Scheme Act was needed. Such legislation would sort out the problems of accountability and disclosure of information and of member-representation.

Mr John was also highly critical of the lack of effort of the industry in dealing with the early-leaver problem, especially in the case of redundancies and company liquidations and legislation was probably the only way forward.

Mr Maurice Oldfield, group pensions executive of Allied Lyons and chairman of the National Association of Pension Funds, said progress over the past three decades in helping the early leaver had been impressive with the *initiative* coming mostly from the industry. It was only in the last 10 years that redundancy had become a significant factor and that a high degree of protection was already being given under the contracting-out provisions.

He estimated that around 90 per cent of members of company pension schemes had 75 per cent of their post-1978 benefits protected.

Mr Derek Bandey, deputy chairman of MPA Employee Benefit and Compensation Consultants, argued that legislation would not be a panacea for the problems facing pension schemes. Nevertheless, he advocated a Pensions Trust Act because of the growing weight of public opinion, however ill-informed, the need for greater accountability

FINANCIAL TIMES
Pensions in 1983
CONFERENCE

and the need to clarify the opera*tions of pensions schemes.*

He envisaged that such legislation would take the present trust law as its foundation and build upon such aspects as registration of funds, clarification of the respective roles of those involved in pensions, member representatives and disclosure of information.

Mr Ralph Langham, deputy pensions officer of Unilever, pointed out the need to take state pensions into account in designing and reviewing the pension benefit provided by occupational schemes, otherwise it would lead to excessive pension payments compared with earnings.

A single civil servant retiring on earnings of £10,000 would have a net pension from state and Civil Service scheme of 98 per cent of his net earnings, while for a married couple it would be 107 per cent.

Mr Bruce Spencer, editor of International Benefits Information Service, said. The new Tax Equity and Fiscal Responsibility Act (Tefra) passed by the U.S. Congress in August, 1982 would require virtually every qualified retirement plan in the U.S. to be amended in order to remain tax qualified.

Mr Michael Hall, partner with stockbrokers Phillips and Drew, said he did not think that UK investments would provide a particularly good return in 1983, although they might at least outperform the *inflation* rate. Overseas investments would be more attractive although individual share selection would provide the benefits rather than the underlying movement in the overseas markets.

The use of personal pension contracts for the self-employed and others in non-pensionable employment was given by **Mr Michael Beer**, pensions director of Trident Life Assurance. He outlined the tax efficiency of such schemes, the operation of loan back facilities and the new development of self-investment contracts.

Mr Dryden Gilling-Smith, managing director of Employee Benefit Services, EBS (Management) emphasised that the special pension schemes applied not just to controlling directors of small companies but to senior executives in large companies as well. Such schemes boosted the overall renumeration of executives and directors, and provided flexibility in benefits, contributions and the investment of funds.

The Rt Hon Lord Byers, chairman of the Company Pensions Information Centre, chairman of the conference on the second day closed the conference by reminding delegates of the prime importance of costing all such solutions put forward for various pension problems and the imperative need to ascertain whether the cost burden was acceptable to those who had to bear it.

THE ARTS

Opera and Ballet

PARIS

Maurice Bejart *and his XXth century* ballet at the Palais des Sports. (828 4090)

Rudolph Nureyev, Eva Evdokimova *with the Nancy Ballet Theatre Francais* in choreography by Bejart, Van Manen, Cullberg, Kylian to Mendelssohn, Mahler, Rangstrom and Haydn. Theatre des Champs Elysees (723 4777)

Love of Three Oranges conducted by Lawrence Foster – Opera Comique *(296 1220)*

Johann Strauss' Die Fledermaus conducted by Ralf Weikert, choreography by Rosella Hightower with Gino *Guilico, Ileana Cotrubas, Janet Perry* and Siegfried Jerusalem. Paris Opera (742 5750)

HOLLAND

Amsterdam Stadschouwburg: Netherlands Opera is joined by members of the *National Ballet* for performances of Richard Strauss's Arabella.

BRUSSELS

Théâtre Royale de la Monnaie: Zimmerman's Die Soldaten with the Frankfurt am Main Orchestra conducted by Michael Gielen.

ITALY

Rome, Opera House: Sleeping Beauty with Elisabetta Terabust and Peter Schuafuss; Idomeneo.

Milan, La Scala: Puccini Tryptych with Cecilia Gasdia conducted by Gianandrea Gavazzeni.

Milan, Teatro Nuovo: Lindsay Kemp company in Nijinsky to music by Carlos Miranda and Facade.

Arts Week

F	S	Su	M	Tu	W	Th
11	12	13	14	15	16	17

Florence, Teatro Comunale: The Nutcracker and Lucia di Lammermoor.
Venice, *La Fenice: Parsifal.*

WEST GERMANY

Berlin, Deutsche Opera: A *new* Götz Friedrich production of Die Tote Stadt by Wolfgang Korngold featuring Karan Armstrong and James King in the main parts. Aida is perfectly cast with Julia Varady and Giorgio Lamberti. Parsifal and Lohengrin are presented with Pilar Lorengar, Janis Martin and Martti Talvela. *Der Barbier* von Sevilla completes the programme. (34 381)

Hamburg Staatsoper: Der Fliegende Holländer with Franz Ferdinand Nentwig and Parsifal with Wagner tenor Peter Hoffmann in the title roles. Johann Christian Bach's Amadis produced by Marco Arturo Marellis, *conducted by Helmut Rilling* and featuring Helen Donath, Doris Soffel and Eberhard Büchner. Lucia Popp triumphs in the part of Susanna in Die Hochzeit des Figaro. Der Liebestrank, produced by Jean Pierre Ponnelle is finely interpreted by Guiseppe Taddei and Sona Shazarian. (35 1151)

Frankfurt Opera: Brussel's National Opera Ensemble offers Haydn's oratorio Die Schöpfung. Soloists are Britt-Marie Aruhn, Rüdiger Wohlers and Peter Meven. Gustave Charpentier's rarely-played Louise has Felicity Lott in the title role. Celestina *Casapietri appears in Tosca. My* Fair Lady is a fresh and delightful revival. Die Entführung aus dem Serail rounds off the programme. *(25 621)*

Stuttgart Württembergisches Staatstheater: Jean Pierre Ponnelle's Wagner Cycle continues with Siegfried with Katarina Ligendza and Peter Hoffmann. Also in performance this week is Der Troubadour with an all-Italian cast. (20 321)

Munich Bayerische Staatsoper: Wagner's rarely-played Das Liebesverbot featuring Hermann Prey and Sabine Hass has its long-awaited premiere this week. Die Fledermaus, an Otto Schenk production starring Lucia Popp and Eberhard Wächter. Manon Lescaut with Giorgio *Lamberti and Raina Kabaivan*ska is of respectable standard. (21 851)

LONDON

Royal Opera, Covent Garden: Tosca, a famous Franco Zeffirelli production now beginning to show its age badly, returns with a heavyweight cast Gwyneth Jones in the title role. (240 1066)

English National Opera, Coliseum: Rita Hunter, a Coliseum favourite not seen and heard there for some while, returns at the head of the Trovatore revival. The rest of the *week is given over to Russian opera* – Boris Godunov in original Musorgsky guise, with Aage Haugland in the title role, and Queen of Spades, in David Pountney's grotesque travesty of a new production. (836 3161)

New Sadler's Wells Opera, Rosebery *Avenue: all three operas of the first* season of this new operetta company are on show this week – the rather underpowered Lehar Count of Luxembourg, the fresh and very pretty Mikado (with Nickolas Grace a first-rate Ko-Ko), and the opening of Kalman's Countess Maritza. *(278 8916)*

Royal Opera House, Covent Garden: Royal Ballet offers its Ashton triple bill. Also Mayerling and The Sleep*ing Beauty. (240 1066)*

VIENNA

Raimundtheater *(576826): Die Graefin* Mariza (Daily except Mon).
Staatsoper (5324/2655): Falstaff, Le Nozze di Figaro, Madame Butterfly
Volksoper (5324/2657): Kiss Me Kate, Die Lustige Witwe, Der Vogelhändler, Die Lustigen Weiber von Windsor, Die Fledermaus.

NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): The week's performances include the first seasonal appearance of Strauss's Arabella conducted by Erich Leinsdorff, directed by Otto Schenk with Kiri Te Kanawa, Kathleen Battle and David *Rendall as well as Les Contes* d'Hoffmann, La Boheme, and Un Ballo in Maschera (580 9830)

Chamber Opera Theatre of New York (Marymount Manhattan, 221 E 71st): Britten: The Turn of the Screw, honouring the composer's 80th birthday. Staged by Thaddeus Motyka.

New York City Ballet (New York State Theater, Lincoln Center): The season continues with the mixed repertory including works by Jerome Robbins, Peter Martins and company head George Balanchine. (870 5570)

CHICAGO

American Ballet Theatre (Auditorium Theatre, 70 E. Congress Parkway) This stop in the national tour of Mi*khail Baryshnikov's company* includes most of their repertory, among the works the full-length La Sylphide, Push comes to Shove, Clair de Lune and Prodigal Son. (922 2110)

Cinema/Nigel Andrews

Abandon hope all ye who venture . . .

Tempest, directed by Paul Mazursky
Monsignor, directed by Frank Perry
Summer Lovers, directed by Randal Kleiser

With Paul Mazursky's *Tempest* following Woody Allen's *A Midsummer Night's Sex Comedy* into the leafily lethal avenues of movie-update Shakespeareana, it is time to erect a large no-entry sign for filmmakers. Abandon audiences all ye who enter here. Translating Shakespeare's last play to a Greek island and Prospero into a wife-and-job-quitting Manhattan architect (John Cassavetes), Mazursky has fallen even fouler of the elves of whimsicality than Allen did by *planting The Dream in upstate*. update New York. Coy pixies and arch goblins fall upon him in a nasty flurry, as the bright promise of the film's early Manhattan (=Milan) scenes is untimely ripped away, leaving a bare torso of windy whimsy under an endless Greek sun.

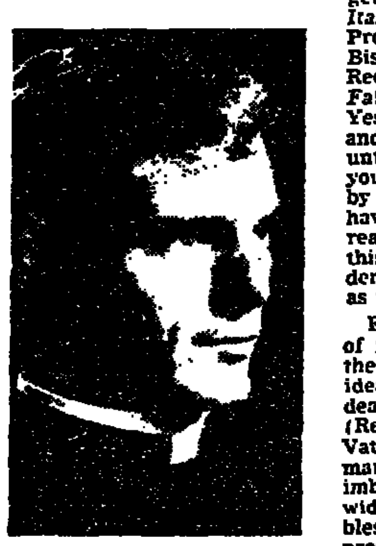
And what sane man, one frivolously asks, would leave the splendid Gena Rowlands anyway, Mr Cassavetes's real-life and (here) fictional wife? Impersonating a Broadway actress, she rules home, hubby and New York *haut monde* with storm-blonde hair. Panavision-wide eyes and imperious mouth —that sneer of warm command that gave under-flaw heating to *Gloria* and *A Woman Under The Influence.*

Tempest splashes so happily early-on in Mazursky-ville U.S.A.—as identifiable a country as Greenland or Tropic of *Conrad—that one wishes the* flying witticisms, the funny cameo characters (Vittorio Gassman as Cassavete's Mafia*boss paymaster, Allen Goorwitz* as Miss Royland's stage-producer ditto) and the chest-note showbiz vernacular ("Don't showboat me," storms Cassavetes) would last forever.

They don't. Pursued by mid-life crisis, Mr C whisks himself off to Greece with his daughter (named, to assist the backward, Miranda), pauses only to pick up his Ariel in Athens (Susan Sarandon as a footloose sylph in sorts, Aretha) and finally comes to rest on a paradisal, azure-bathed island, where every prospect pleases and only "Kalibanos" is vile. He's the local goatherd, played by Raul *Julia* with much *face-fungus* and a flute. And he provides the film's second half with its only and splendiferous "high" *—a flute rendition of New York* New York, complete with dancing, leaping goats.

Meanwhile—and a blizzard of meanwhiles assail this film—the spouse-seeking Gena Rowlands and Mr Gassman, her interim lover, bob and bounce across the cobalt briny towards a reunion (like Shakespeare's storm-tossed Milanesi) with the fugitive image.

Once Greece-ensconced, this travel-brochure allegory plays blind man's buff in a comic and dramatic void whose only solid *object where against to bump* is Shakespeare's play. The film's outstretched hands keep hitting something large, at *which the audience's head* is supposed to go "Ping! Gottit!": Ah! Gassman's stand-up comic sidekick equals Trinculo, ah! *Cassavetes's self-enforced* celibacy (*sic*) with Aretha invokes Ariel's bodiless spirituality. But the correspondences with Shakespeare seem in aid of absolutely nothing except—to make correspondences with Shakespeare.



Christopher Reeve as " Monsignor "

Molly Ringwald as Miranda and Susan Sarandon as the unbedded sprite pour forth charm from inexhaustible taps. (Watch them splash in the surf singing "Why do fools fall in love.") But Cassavetes's chief specialities are satyr demonism and skulk-eyed scowling, and virtually uninflected for 140 minutes as here they wear heavy on the viewer.

Now that Mazursky has got the Bard out of his system, perhaps he will go back to being the Mazursky we know and love from films like *Bob & Carol & Ted & Alice* and *Next Stop Greenwich Village:* born and bred in modern American Bohemia and inspired by its slang, its shrugs, its chaos and comic passions, its very post-Shakespearian magic.

*

"It took a lot of work to get an American into this *Italian monopoly," burrs Robert* Prosky's plump and worldly Bishop Walkman to Christopher Reeve's priest-in-shining-surplus *Father Flaherty in Monsignor.* Yes, we are in the Vatican, and no, you won't believe it until, or possibly even when, you see it. Based on a novel by Jack Alain Leger, who must have grown up on an exclusive reading diet of Morris West, this astonishing pope-pourri demands to be seriously tipped as the silliest film of 1983.

Emerging in the full flush of real-life ecumenical scandal, the plot about an initially idealistic but soon wheeler-dealing son of the Church (Reeve), who ferries the Vatican through WW2 black-market dealings, Swiss bank imbroglios and finally worldwide financial scandals, has the blessing of coincidence or prophecy. But the movie itself has no benediction of style, no grace of gait or gaiter.

Director Frank Perry, who but lately barnstomed through Joan Crawford *en crise* in *Mommie Dearest*, hasn't adjusted his ailerons for a change of course. At once overblown and under-pondered, the film beguiles us one moment with colliding accents in the corridors of papal power (American Prosky dispensing Little Italy slang, Spanish Fernando Rey thpreading de blethings of de Shursh): the next with a hyper-daffy subplot about Reeve's hazardous affair with postulant *nun Genevieve Bujold.* "I only have an hour" she says brusquely in the bedroom, tugging at her wimple. Later, *in the sam eplace, "Here I am* ready for another disaster." Clearly there are no scales on this novice's eyes.

Finally the merry-go-wrong swings into full catastrophe-cycle with a transcontinental to-do involving Reeve's associa*tion with wealthy Sicilian Don* Jason Miller, who chases people he doesn't like to New York and points weapons at them in poor-class hotels. How Abraham Polonsky, formerly a screen-writer to reckon with, dipped his pen in this charade we can never know. Nor how the admirable Billy Williams BSC came to photograph it, with many deeply distressing jab-like zoom-shots.

*

The isles of Greece! The isles of Greece! Scarcely has *Tempest* departed thence than *Summer Lovers* returns us thither. And things have become less celibate in the interval. Peter Gallagher and Darryl Hanna play the young couple who deplane in Santorini and pitch water-bed in a sea-view rented villa for an extended holiday. Enter Valerie Quennessen as "Lina," young and pretty, a freelance French architect; with whom our duo assisted by the *genius loci* and much retsina, slowly slip into a *menage à trois.*

And thereby hangs not so much a tale as an animated version of one of those concertina-rolls of souvenir-stall colour photos of *ouzo* and sunsets and sunbaked bodies, accompanied by the year's most noisily cacorhythmic LP-aimed score. Randal Kleiser (of *Grease* and *The Blue Lagoon*) wrote and directed, and he deserves an extended holiday in a remote Aegean island.

Valerie Quennessen in " Summer Lovers "

Diana Rigg in A Map of The World at Lyttleton Theatre, London

Theatre

NEW YORK

The Entertainer (Roundabout 23rd & 8th Av) William Gaskill's evocation production of the John Osborne chestnut stars an appealingly shuffling and quizzical Nicol Williamson while bringing the era of the Suez crisis to an American audience with Michael Sharp's headline dominated set. An excellent supporting cast of *Humphrey Davis as father Billy* Rice and Frances Cuka as Archie's long-suffering wife Phoebe. (242 7800).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Good (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by Howard Davies, is eloquent, stylish in set and overlapping scenes, but ultimately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. *No moral tale there.* (239 6200)

WASHINGTON

She Stoops to Conquer (Folger): The resident company adds Lucinda Hitchcock Cone as Kate Hardcastle and director Davey Marlin Jones for this production of Oliver Goldsmith's enduring comedy about English rural manners and matrimonial ambitions. (546 4000).

Toyer (Eisenhower, Kennedy Center): *Tony Richardson directs Kathleen* Turner and Brad Davis in Gardner McKay's new tense and twisted murder mystery set on a California tennis court (254 3670)

CHICAGO

The Comedy of Errors (Goodman): With *Adriana played* by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven musical instruments, this Shakespeare could be nothing but a circus, especially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. *(443 3800)*

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the *painful and frustrating accommoda*tion of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotely where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (*Nehru in the film Gandhi*) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideologi*cal showdown. (928 2252).*

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class *replacement cast. Michael Blake*more's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable pot porri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a *Liver*pudlian quartet of brothers and The Darts. (437 6565).

VIENNA

Vienna's English Theatre (421 260): Arsenic And Old Lace (Daily except Sun)
Theater an der Wien (579 632): Anatevka (Daily except Mon)

HOLLAND

Mickery Theatre, Amsterdam: Slow Fate by Mike Figgis, an unorthodox play featuring music and projection as well as *actors.*

Exhibitions

WEST GERMANY

Stuttgart, Staatsgalerie, Konrad Adenauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque. *Ends spring 1983.*

Frankfurt, Kunstverein, 44 Markt: Drawings and paintings depicting human beings from between 1960 *and 1970 by Pier Pasolini, the Ital*ian movie director. Ends Feb 27.

Düsseldorf, Kunsthalle: The show offers a comprehensive survey of Henri Matisse. The 80 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by a dozen sculptures. The focal point of the show is the gigantic La Danse. Ends April 4.

Tübingen, Kunsthalle: 157 drawings, gouaches, water colours and collages by Jean Dubuffet, the French Art Brut painter and sculptor. Ends March 6.

Cologne, Rautenstrauch-Joost Museum: *The only German venue* of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin, Brauhaus Archiv, Klingelhöferstrasse: German paintings *from the 1920s and 1930s on loan* from Havard University's Busch-Reisinger Museum. Ends April 17.

BRUSSELS

Société Générale de Banques: Pierres et Rue 1780–1980. The success of this exhibition has prompted a longer run. Ends Feb 18.

Musées Royaux d'Art et Histoires: Collection of Delft porcelain. Ends Feb 21.

VIENNA

Künstlerhaus: Aspects of present day art in the Soviet Union from the Ludwig collection. Ends Feb 25.

HOLLAND

Rijksmuseum van Oudheden, Leiden: Egyptian hieroglyphics on papyrus up to 4,000 years old. Ends April 4.

LONDON

Walker Art Gallery, Liverpool: John Moores 13 – Britain's first and most important Open Exhibition, which regularly attracts a strong entry from amongst our best contemporary painters. The prizes are generous enough: £6,000, £3,000, £2,000 and ten at £250, but the prestige lies in the selection itself. This year's ex*hibition is full of strong uncon*troversial painting, both figurative and abstract, with John Hoyland victor ludorum. Ends Feb 20.

Whitechapel Gallery: Barry Flanagan *enjoys perhaps the widest* or at least the most rapidly expanding international reputation of the younger British sculptors. His work of the past ten years evinces a distinctive, poetic, delicately judicious sensibility, whether it is a natural lump of stone just barely marked or a leaping hare modelled in clay, cast in bronze and brightly gilded. Ends Feb 20.

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, *doomed Cavalier grandeur in its fi*nal years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

NEW YORK

Metropolitan Museums of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd *Wright's dusted off to accompany* the permanent installation of the living room he designed for the Francis Little House. Ends Feb. 27. *(535 7100)*

WASHINGTON

National Gallery: On the centenary of *Edouard Manet's death, a hundred* paintings, pastels and photographs show the growing interest in Paris among artists of that time,

CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paintings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

PARIS

From Carthage to Kairouan, 2,000 years of art and history in Tunis. Magnificent mosaics and a vast model of the Kairouan Mosque retrace the succeeding Phoenician, Roman and Islamic influences on art in Tunisia. Petit Palais, Closed Mon. Ends Feb 27.

ITALY

Florence, Palazzo Pitti: One hundred works from Dresden Picture Gallery. Ends March 4.

Rome, Galleria Nazionale d'Arte Moderna: Paintings inspired by Garibaldi from Fattori to Guttuso. Ends Feb 27.

Music

ZURICH

Tonhalle Zurich Chamber Orchestra conducted by Edmond de Stoutz *with Maurice Andre, trumpet.* Handel, Vivaldi, Telemann, Purcell and Bellini (Mon); Oleg Maisenberg piano recital. Chopin (Tue); Stefan *Askenase, piano. Mozart and Chop*in (Wed): Trio a Cordes Francais. Breval, Roussel, Xenakis and Beethoven (Thur).

LONDON

English Chamber Orchestra and Pro Musica Chorus of London conducted by *Charles Mackerras with soloists* Margaret Marshall, Felicity Palmer, Keith Lewis and Harald Stamm. Mozart. Royal Festival Hall (Mon). (928 3191)

Alban Berg Quartet: Beethoven. Queen Elizabeth Hall (Mon). (928 3191).

London Brass Virtuosi conducted by David Honeyball with Ifor James, horn. Vaughan Williams, Britten, Holst. Barbican Hall (Mon). (638 8891).

London Symphony Orchestra conducted by Yuri Simonov with Victor Tretyakov, violin. Rimsky-Korsakov and Tchaikovsky. Royal Festival Hall (Tue).

Monteverdi Choir and Orchestra conducted by John Eliot Gardiner with Nina Milkina, piano. Mozart and Haydn. Queen Elizabeth Hall (Tue).

London Philharmonic Orchestra conducted by Karl Anton Rickenbacher with Alberto Remedios, tenor. Wagner Centenary concert. Barbican Hall (Tue).

Peter Dauelsberg, cello and Ingrid Haebler, piano. Beethoven. *Wig*more Hall (Tue). (930 9232).

BBC Symphony Orchestra conducted by Mark Elder with Piotr Paleczny, piano. Stravinsky, Szymanowski and Strauss. Royal Festival Hall (Wed).

Elddwen Harrhy, *soprano, with Ifor* James, horn and Clara Taylor, piano. Barber, Howells, McCabe and others. Purcell Room (Wed). (928 3191).

Philharmonia Orchestra conducted by Kurt Sanderling with Mayumi Fujikawa, violin. Haydn, Mozart and Beethoven. Royal Festival Hall (Thur).

The English Concert with Simon Standage, violin, Elizabeth Wilcock, violin, Anthony Pleeth, cello and Trevor Pinnock, harpsichord. Wigmore Hall (Thur).

Ronnie Scott's, Frith Street: George Adams, Don Pullen quartet. Until Feb 26. (439 0747).

NEW YORK

New York Philharmonic : *(Avery Fish*er Hall, Lincoln Center): Zubin Mehta conducting, Ju Hee Suh piano. Wagner Mendelssohn, Brahms. (Tue); *Zubin Mehta conducting,* Hildegard Behrens soprano. Schubert, Schoenberg: (Thur). (874 2424)

Carnegie Recital Hall: (57th & 7th Av) New York New Music Ensemble (Tue); Columbia String Quartet. Bernard Yannotta clarinet. Quincy Porter, Baermann, Bartok, Brahms; League-ISCM; Sheila Silver Jonathan Kramer, Ramon Zupko, Christopher Rouse, Donald Martino (Thur). (247 7459)

Chamber Music at the Y (Kaufmann Hall, 1395 Lexington): Jaime Laredo conducting. Schubert, Brahms, Schoenberg (Tue, Wed). (427 4410)

Benita Valente, soprano, Richard Goode piano (Alice Tully Hall): Haydn, Brahms and Wolf. (Thur) (874 6770)

American Composers Orchestra (Alice Tully Hall): Charles Wuorinen conducting, Garrick Ohlsson piano, Stefan Wolpe, John Adams, Charles Wuorinen, Stravinsky. (Mon). (874 6770)

WASHINGTON

Concert Hall (Kennedy Center): National Symphony Orchestra Youth Concert, Hugh Wolff conducting. All Stravinsky programme (Mon mat, Tue mat, Wed mat). (254 3776)

Terrace Theatre (Kennedy Center): New Zurich Quartet, Lory Wallfisch piano, Urs Walker violin, Christoph Schiller viola, Alexandre Stein cello. Mozart (Tue); Coleman Blumfield piano recital: Schumann, Mussorgsky: Chopin, Liszt (Thur). (254 9895)

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting, Ivo Pogorelich piano. Chopin and Berlioz (Thur). (435 8122)

PARIS

Shirley Verret recital, Warren Wilson, piano: Handel, Schumann, Chausson, Debussy (Mon). Theatre de l'Athenee (742 6727).

Gidon Kremer, violin, Andras Schiff, piano: Sonatas (Mon). Theatre des Champs Elysees (723 4777).

Ensemble Orchestral de Paris conducted by Jean-Francois Paillard, Andre Bernard, trumpet, Pierre Roullier, Bernard Chapran, flutes, Daniel Arrignon – oboe: Telemann. (Tue) Salle Gaveau (563 2030)

Alfred Brendel, piano: Beethoven sonatas (Tue) Salle Pleyel (563 8873).

Jon Vickers with Geoffrey Parsons, piano: Schubert's Winterreise (Wed), Theatre des Champs Elysees (723 4777)

Orchestre de Paris conducted by Krzysztof Penderecki with Mistislav Rostropovitch, cello: Penderecki and Sibelius (Wed., Thur) Salle Pleyel. (563 8873)

BRUSSELS

Palais des Beaux Arts: London Philharmonic Orchestra conducted by Sir Georg Solti. (Thur).

VIENNA

Musikverein (658190) Küchl Quartet, Haydn (Mon); Vienna Symphony Orchestra. Conductor Eduardo Mata. *Beethoven,* Wagner and Stravinsky (Wed and Thur).

Konzerthaus (721211): Haydn Trio. Schubert and Brahms (Mon): ORF Symphony Orchestra. *Conductor* Erich Bergel. Bruckner. (Thur).

Linz Brucknerhalle, Peter Schreier, Lieder recital, piano Eric Werba (Thur) Brahms and Schumann.

Israel Piano Trio/Wigmore Hall

David Murray

More often than not, these days, piano trios seem to be mixed-sex teams. The Beaux Arts Trio is an obvious exception, and the Israel Trio is another; but the bright delicacy that marks the playing of the Beaux Arts men seems a world away from the husky strength of the Israeli trio, who returned to the Wigmore on Wednesday. Their pianist Alexander Volkov, Ukrainian-born and Russian-*trained, has the dramatic* authority and muscle one expects from his school; but the dense, dark-hued tone of the trio owes no less to the violinist and cellist, Menahem Breuer and Zvi Harrell. Their *throaty, almost vocal timbres* are well balanced but pungently individual, too. The ensemble sound is fairly saturated with *character.*

No doubt it would not suit every kind of music, though it may be more adaptable than *one supposes.* There were technical rough edges this time—many finger-slips at the keyboard, fallible cello harmonics at the daunting start of Shostakovich's Trio in E minor—which seemed just *part of the impassioned* address. In fact the whole Shostakovich work carried solid, black conviction, with its *overtones of anger and despera*tion struck hard; even the blunt gear-changes contributed to the effect of gritty honesty.

Beethoven's *E-flat Trio, Op.* 70 No. 2, wore a more cultivated purpose, and yet benefited from the same earthy power. Again this was a big-boned performance, with uninhibited personal touches in all the parts. To my ear, their treatment of the Op. 87 Trio of Brahms — expressive at all costs—did too little justice to its careful architecture: it really deserves a cooler, steadier line, though the Israeli account was continuously interesting. In any case, these are musicians with robust ideas, a rich sound and great flair.

F.T. CROSSWORD PUZZLE No. 5,095

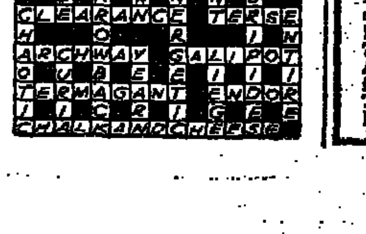
ACROSS

1 Bay with Hardy associations (6)
4 In monkshood, it is said, Guernsey showed the way (6)
8 Indian Watch Co. in ruins (7)
9 Set of dishes—open set with this (7)
11 Initial training for burglary? (8, 2)
12 Retrograde border instrument (4)
13 Secret language of North India (5)
14 A universal strain arranged. Mahler, for example? (8)
16 Honestly settled (8)
18 Nymph producing mineral aggregate these days (5)
20 Its great bed makes English unrefined in retirement (4)
21 *Common prison decline,* glowing white-hot (10)
23 Weapon to extend the arms? (7)
24 *Nobody like Pepys? (7)*
25 Number in forest, say, one by one (6)
26 Guard despatched by rail (6)

DOWN

1 Composer found in Harlequins' first-half scrum (5)
2 Take a bit of lunch Aintree-fashion. Free? (7)
3 Formerly a gold-digging *organisation* — testing certain levels? (9)
5 "The Ring" done badly in this concert-hall (5)
6 *Lift does not start—muscle needed (7)*
7 Put one across Marsh—does it register no score? (4-5)
10 Inelegant variety of sweet-*brier* (9)
13 Successful numbers of which pirate had control (3-6)
15 Sea-board to prop up regular army (9)
17 Wrongly name one example of windflower (7)
19 Passage from King Lear perhaps—leaving out king taken in (7)
21 Rail-junction in which many were changing (5)
22 It is unpleasant treating eye-*sore with sodium (5)*

Solution to Puzzle No. 5,094



ONLY ONE MINUTE FROM THE SEA.

Most City offices have their business connections overseas.

Others, however, have their business connections on the seas.

And ships are very different from offices when it comes to keeping in touch.

In the course of a single hour, a ship's position can change significantly.

Often, it can be hundreds of miles from the nearest land. Frequently, it can be operating in the most adverse weather conditions.

Yet, despite these obvious difficulties, communications between an office and ship can be as easy as office to office.

Each can telephone the other. Or telex. Or send facsimile copies.

Each can transmit data. (Even the crew's wages or passenger information on board can be controlled by a shore based computer.)

In fact, any ship operating on any sea in the world need be only a minute away from the heart of the City. Via the International Maritime Satellite Service, operated by British Telecom International.

It's this same service which enables an oil tanker to respond instantly to a change in the spot price of oil; and to be re-directed in seconds, to a port where the best price can be obtained.

It's also this service which now provides the cheapest form of ship-to-shore voice communication to Europe and North America via the Atlantic satellite, following the recent opening of the new dish aerial at Goonhilly Earth Station. (This region actually stretches from Madagascar to Greenland and covers 80% of the world's shipping traffic.)

Not that the marvels of international communications favour only marine-based business. Not by a long way.

Today, we can offer business in general a whole range of services for the fast transmission of not just speech but also text, data and diagrams across the world.

Services which often require little or nothing in the way of additional 'hardware' in your office.

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THE PROPERTY MARKET

BY MICHAEL CASSELL

Record Dutch sale

IN WHAT is thought to be the largest sale of its type agreed in Holland, ABP—the civil service pension fund—has paid about Fl 700m (£180m) for a *mixed portfolio of commercial* property.

The low-key deal involves the acquisition by ABP of properties owned or part-owned by *subsidiaries of the Friesch* Groningsche Hypotheekbank, the third largest mortgage bank in Holland. Interests in individual properties range upwards from 50 per cent.

The bank, like most of the Dutch mortgage banks, has been experiencing lean times in the wake of the recession and the disposals will provide some welcome cash. The availability of the properties as a package was not widely known and only one or two Dutch organisations would have the resources to consider a purchase on this scale.

The bank's portfolio is a legacy of its involvement in the commercial property market during the 1970s, which included direct development. All the properties being sold were built in the last ten years or so.

The most important single property involved in the sale, which comes at a time when investment interest in the badly battered Dutch property market shows signs of reviving, is the Hoog Catharijne in Utrecht, widely regarded as the most successful shopping centre in Holland.

The complex was developed jointly by the bank and the *Bredero group and comprises* 170 shops, various office blocks, a hotel and restaurant, luxury flats and 4,000 car parking spaces. There is over 130,000 *sq metres of commercial space* in all. Excluded from the sale is the 30,000 sq metres Vroom and Dreesmann store.

The transaction, which was *arranged by Zadelhoff, the* Amsterdam-based real estate consultants, also includes an office and warehouse complex in Utrecht, shopping centres in *Arnhem, Heerlen and Dordrecht* and a prime office investment in The Hague, let to Price Waterhouse, the international accountants. All the properties are *believed to be fully let.*

Individual purchase prices are not being disclosed but the total cost represents a gross yield of about 7.7 per cent. The acquisi*tion increases the value of the* ABP property investment portfolio to about Fl 5.5bn. The Fund has total assets of about Fl 90bn.

Facelift for Fenchurch St.

NORWICH UNION is to *proceed with the rebuilding* of Fenchurch St Station in the City of London. The £28m scheme will provide a new railway station and 94,000 sq ft of offices. Completion is envisaged by mid-1987 and Jones Lang Wootton are letting agents. The redevelopment involves the retention of the familiar facade to Railway place which *is listed.* Norwich Union is taking a lease from British Rail in order to develop the site.

● The first CLOR (Central London Offices Research) report from Jones Lang Wootton says that the 10m *sq ft plus of gross office space* to be completed during 1982 and 1983 will provide a severe test of strength. The key issue is whether demand will once again catch up with supply when the current high level of *completions falls off.*

● Work has now started on Prudential Pension's £9m shopping complex in Canterbury. Under a development agreement Canterbury City Council retains the freehold of the Rose Lane/St Margaret's Street site. Prudential which is financing the scheme will take a 125 year lease on the *development which will pro*vide more than 110,000 sq ft of shopping space.

● Crouch Group, following the recent acrimonious departure of the company's former chairman Mr Ronald Clempson, has announced the sale for £2.5m of its South Audley Street office development in London's Mayfair. The premises were acquired almost three years ago for 400,000 and have been refurbished to provide 7,400 sq ft of office space on six floors.

Funds avoid the industrial surplus

THERE may be the odd 100m sq ft of industrial floorspace sitting empty and unloved around the UK but little of it lies in the hands of leading institutions and pension funds.

Observers could be forgiven *for imagining that the indus*trial property sector is swamped in unrelieved gloom and populated with developers more intent upon removing roofs (to save payment of empty rates) than in fixing them on.

But this week's little cost-saving/public relations exercise in Wolverhampton, where London Life and Hill Samuel highlighted the problem of void rates by lifting the roof off part of their Planetary estate, is not the whole story.

An interesting piece of research work carried out by Hillier Parker, the London agents and surveyors, shows that most institutional investors in industrial space have escaped the ravages of recession.

According to Hillier Parker, which questioned 24 funds with combined industrial property holdings of over £1bn, non income - producing voids accounted for an average 2 per cent of capital values. No square footage analysis was made, though the agents accept *it would have resulted in a* higher percentage total.

The void figure would seem to represent nothing more than the vacancy rate normally considered nece sary for occupancy turnover.

The survey, which included an element of non-prime and reversionary property, has produced an average yield of 8 per cent and, in so doing, throws new light on the question of the yield gap between industrial and office property.

The results have not surprised Hillier Parker, who point that the overall glut of industrial space masks widely differing performances. While funds have gone for more resilient warehousing and service industry space, manufacturing industry has been left with acres of inefficient, outdated accommodation which has little or no future.

Even so, the survey shows that fund managers are becoming increasingly pessimistic about the time it takes to let space, while voids in new schemes are very much higher, at around 10 per cent.

Ian Flanagan, head of Hillier Parker's industrial department, hopes the findings might give heart to those potential investors who tend to roll their eyes and clutch their throats when industrial property is proffered.

"The results represent a tremendous feather in the cap for investing institutions but some investors tend to be *frightened off by the sector's* poor overall image. The record on voids and returns shows this type of reaction is generally unjustified."

Cambridge Circus let

ANOTHER shot in the arm for a property market on the lookout for good news comes in the shape of a major letting for Town and City at its Cambridge Circus office scheme in central London.

Last week, MEPC announced that it had signed up tenants for 75 per cent of the floorspace at its 190,000 sq ft Long Acre *development and now Town and* City has found a customer for the scheme which it has developed nearby in partnership with National Freehold and Leasehold Properties (otherwise the adjoining Phoenix Theatre) and freeholders Norwich Union.

The Cambridge Circus offices offer about 145,000 sq ft of *floorspace and 42,000 sq ft has* already been let to Foster Wheeler, the oil services group, at a rent believed to be in the region of £15 a sq ft.

Town and City is saying nothing yet about the new letting but it is expected to account for most, if not all, the entire balance of the remaining *available space. The tenant is* in the public sector and details of the rent have not so far emerged.

The deal successfully concludes a saga which stretches back over 20 years, when conditional planning consent for 320,000 sq ft of offices was first granted. Camden Council, however, attempted to stop the *scheme via court action and it* was not until 1977 that a go-ahead was given. Work began in 1979.

The letting is, of course, not *only good news for the market* but will be very welcome over at Town and City, which now looks in better financial shape than it has done for many years.

The acquisition of Berkeley Hambro has given the group a new lease of life and a few recent deals indicate that the portfolio continues to be cleaned up. There are great expectations and Jeffrey Sterling and Co will not wish to disappoint.

Valuation victory for Navy

THE Merchant Navy Officers Pension Fund has won its fight to get a rates reduction on part of Lincoln House, its office building in High Holborn, London.

The Fund had asked for the rates cut because it said it could not let a floor in the property as British Telecom had failed to supply adequate telephone and telex services. It suggested that the sixth floor should be classed as storage accommodation, which would allow a lower rates charge.

*The Inland Revenue valua*tion office has now agreed that rates on the floor in question should have been reduced by approximately two-thirds while *the* Fund had been unable to complete a letting of the space.

St Quintin, which successfully represented the Fund's appeal against an earlier decision by the local valuation court, said that the floor had been subject to a 100 per cent rates charge by the London borough of Camden, even though it had been empty.

The floor has now been let to a Canadian insurance company following the installation of telephone services. The Inland Revenue decision means *that rate charges on the floor,* while it was empty, will have been reduced from around £20,000 to about £7,000.

The agreement will be of interest to large numbers of landlords who in the past have reported difficulties in letting space because of the absence of proper communications services. But it has less relevance in the current market, in which the problem of absent telephones has been replaced by one of absent tenants.

● United Real Property Trust together with the Crown Estate Commissioners has submitted a new planning application for a comprehensive development of 195,000 *sq ft of office, banking retail* and residential space at 31-59 Victoria Street, London SW1. A previous planning application was rejected.

IN BRIEF

Los Angeles deal for Lehndorff

LEHNDORFF, the international property fund management group whose European clients have over $2.5bn in North American real estate, has bought the 48 storey, 900,000 sq ft Wells Fargo office building in downtown Los Angeles from Rockefeller Center Inc for a reported $175m.

The purchaser is an investment group led by Lehndorff Management (U.S.A.) and Grosvenor International, an offshoot of the UK Grosvenor family interests which associates with several major UK pension funds to invest in prime commercial properties in the Western U.S.

TAYLOR WOODROW of San Francisco in conjunction with Lincoln Property Company has announced plans for the $45m residential and retail development of Taylor Woodrow's Third Street and Folsom Street site in the Yerba Buena area of San Francisco. Completion is due in early 1985.

● Sun Alliance Insurance has let, prior to completion, its 25,000 sq ft Pemberton Gate office scheme in Romford, Essex. The tenant is Commercial Union Assurance and the rent is £7.50 a sq ft. Richard Ellis were letting agents.

● Trust Securities has sold its 74,000 sq ft office development in Great Peter Street, Victoria, London, to Trafalgar House Developments for £6.25m. Work started at the end of last year and the scheme should be completed in about 18 months.

● John I. Jacobs, shipowners and brokers, are to sell their freehold office building at 19, Great Winchester Street, City. The firm is to take space at Cutlers Gardens and Farebrother has been asked to find a purchaser for the 8,500 sq ft building and offers are sought in the order of £4.5m.

● Land Securities has embarked on the refurbishment and modernisation of Export House on the north side of Ludgate Hill, London, EC4. The scheme when completed will provide approximately 119,000 sq ft of net office space on the first to seventh floors with some 13,000 sq ft of basement storage. Completion is scheduled for July 1984.

● Linfood Holdings (parent company of the Carrefour hypermarket chain) and Midland Bank are the latest tenants to take space in the recently completed 95,000 sq ft Silbury Court office development, Milton Keynes. Linfood has taken the third floor (11,500 sq ft) of the Second London Wall/Sun Alliance development at a rent of £7.25 a sq ft. Midland Bank is taking 3,200 sq ft on the ground floor at £8 a sq ft. So far a total of 53,500 sq ft has been let in the building. Joint letting agents are Jones Lang Wootton and Connells Commercial.

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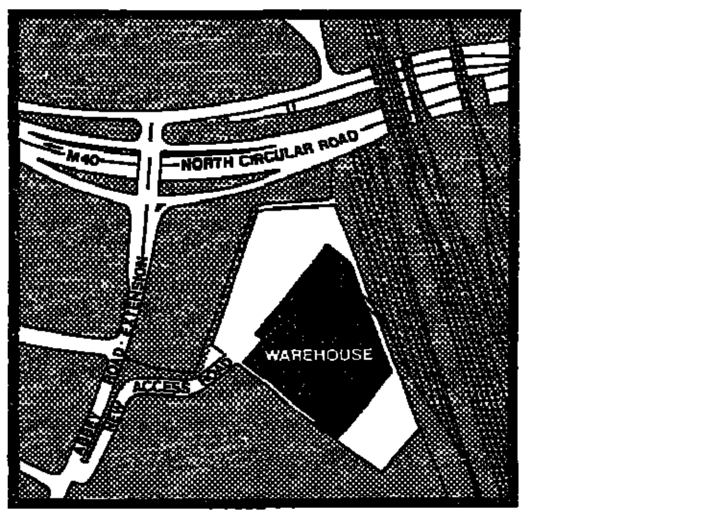

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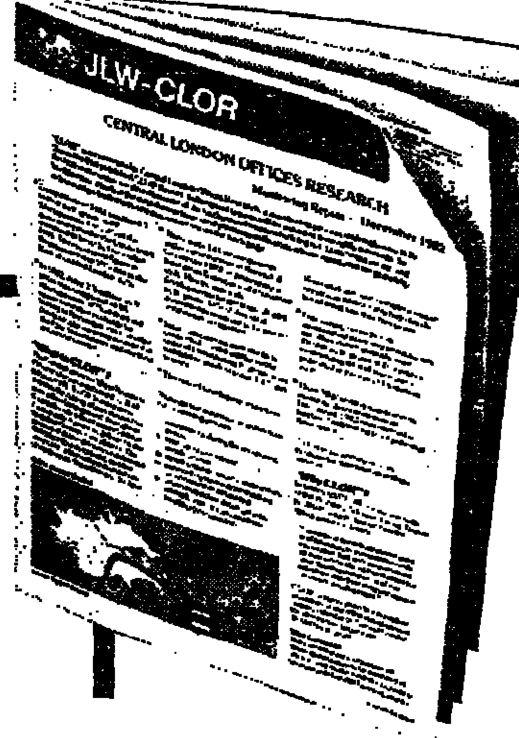

The first issue of a half yearly research paper called CLOR* brings together all aspects of office development activity – recent completions, current developments, planning permissions and other prospective schemes – from Knightsbridge to Aldgate and from Euston to the South Bank. Copies from JLW Research, 103 Mount Street.
*Central London Offices Research.

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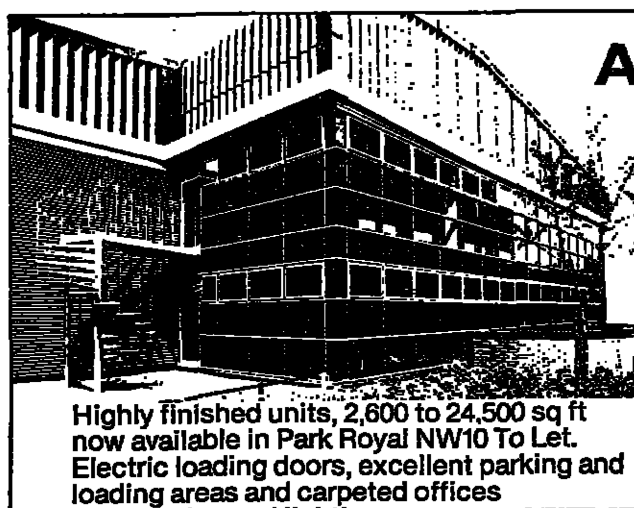

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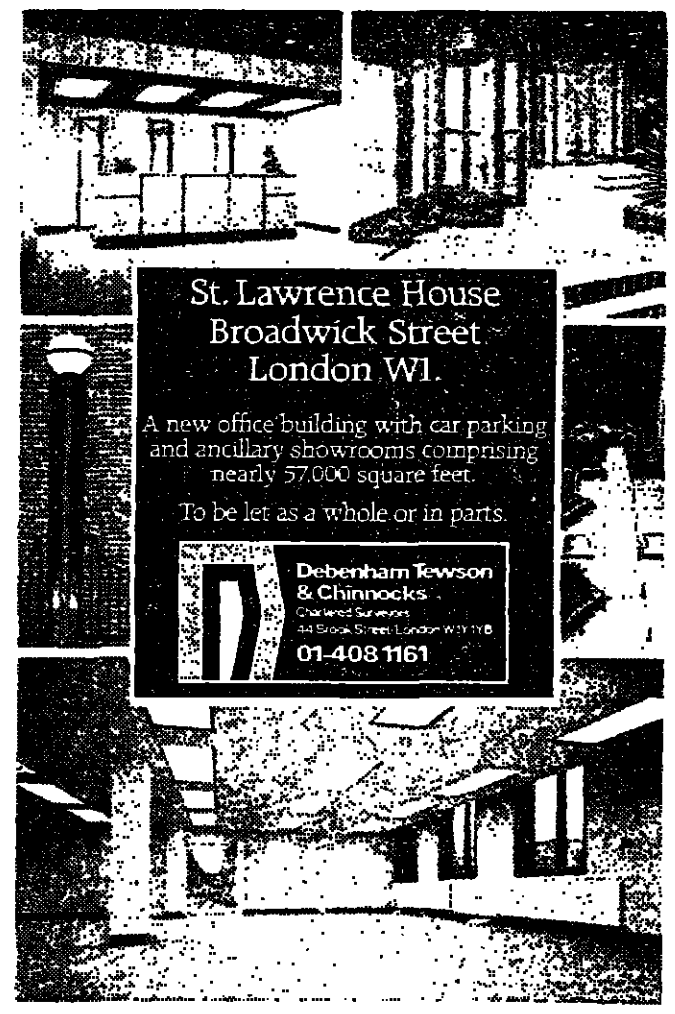

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A FINANCIAL TIMES SURVEY

OFFICE PROPERTY

The Financial Times proposes to publish a Survey on the above. The provisional dates and editorial synopsis are set out below.

PUBLICATION DATE: MARCH 25 1983

COPY DATE: MARCH 15 1983

1. **Introduction** The recession has turned the office property sector into a tenants' market. Major centres are carrying large over-supplies of space and any significant upturn in overall demand over the medium-term looks unlikely.
2. **Rental Levels** Rents in most office centres have recorded minimal growth and continued to lag behind the rate of inflation. Prospects for growth in 1983.
3. **Investment** The office sector's declining performance has provoked a major rethink about its relative merits as an investment option. Only selected markets are commanding prime yields, which have begun to rise.
4. **Development.** The level of office development in principal centres remains high as schemes in the pipeline are completed but prevailing demand for space has led to the shelving of many proposed schemes. Those developments going ahead are at least taking advantage of low building costs, which should make competitive rents possible.
5. **Design Trends**
6. **Office Technology**
7. **Relocation**
8. **Planning**

The remainder of the Survey will provide detailed market reports on the following major office centres: (a) City of London; (b) West End of London; (c) Birmingham; (d) Manchester; (e) Bristol; (f) Swindon; (g) Glasgow.

For further information please contact:

Tim Kingham on 01-248 0769

FINANCIAL TIMES
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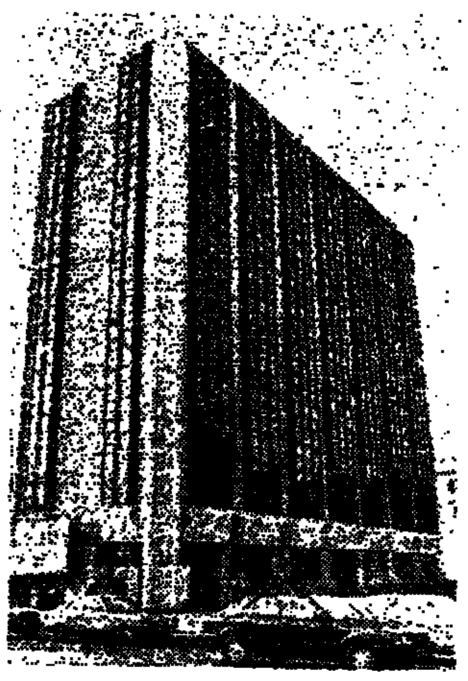
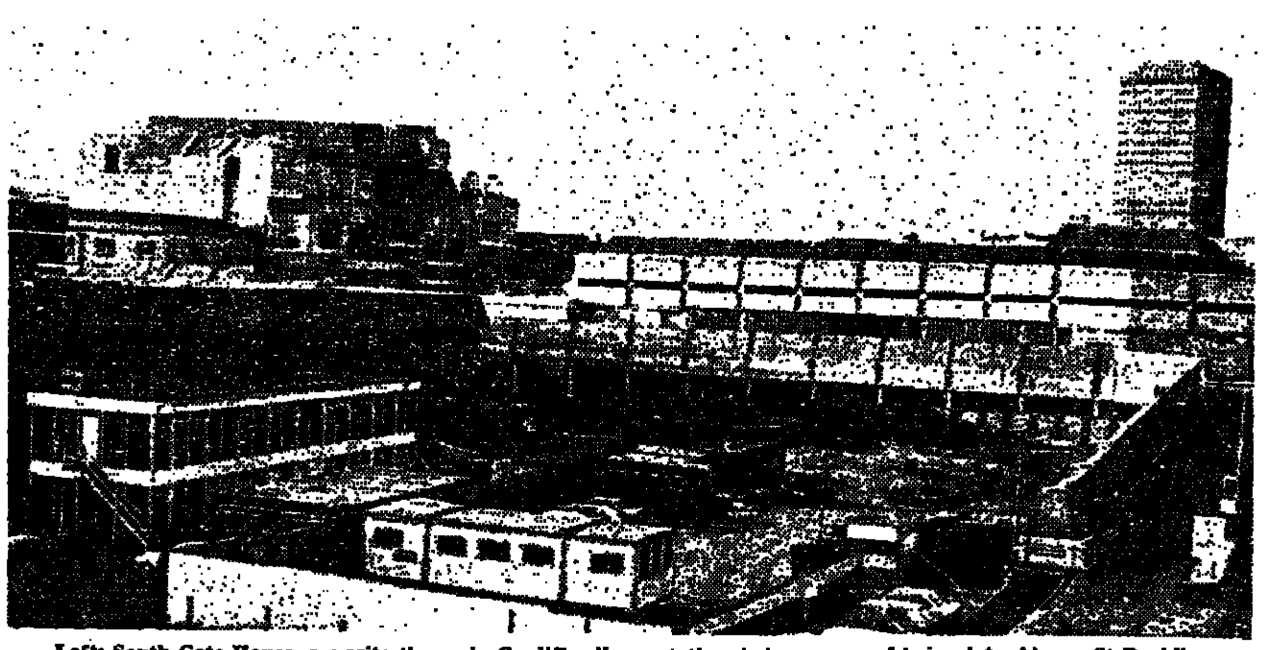
PROPERTY IN WALES I





Left: South Gate House, opposite the main Cardiff railway station, is in process of being let. Above: St David's Shopping Centre in Cardiff is seen in the background, with the work yard of contractors Laing in the foreground, where further construction is going ahead

Heartening flow of investment

Efforts of the public bodies charged with revitalising the Welsh economy have had a material impact on the property sector and its environment. **Robin Reeves** reports from Cardiff.

"WE STILL get property men ringing up from London asking how many slag heaps we can see from the office window," an exasperated agent complained the other day. The traditional image of industrial Wales remains extraordinarily persistent, even among people who ought to know better. In the past twenty years the face of Wales has been transformed by industrial change, massive public investment in communications infrastructure and—in the wake of the Aberfan tragedy—one of the biggest derelict land restoration programmes in Western Europe.

Yet fund managers have only recently begun to take an interest in investment opportunities there. For most of them Britain's west coast is to be found at the Severn bridge, even though the M4 now arcs via Newport, Cardiff and Swansea deep into West Wales.

Certainly the Welsh property market has its peculiarities and pitfalls for the unwary. The market has been dominated by the public sector bodies, either as developers, in the case of industrial property, or as tenants in the case of office accommodation. But in an economic climate where easy returns are no longer guaranteed, even in the fashionable and long profitable Home Counties locations, Wales has been offering useful opportunities to perceptive investors. They should increase, moreover, if the Government's long-term aim of reining back public sector activity in order to make room for greater private involvement is fulfilled.

The recession hit Wales early. Within months of the Government coming to power in 1979 it was announced that iron and steel making would be ended at Shotton, North Wales, and severely curtailed at Port Talbot and Llanwern in South Wales under the British Steel Corporation's "Slimline Plan." Together with cutbacks at other steel plants, BSC in Wales shed a total of some 25,000 jobs in 1980, setting Welsh unemployment on an upwards spiral towards its present level of 17.5 per cent, or over 180,000.

But because Wales had been placed on the sharp end of the Government's economic policies an unprecedented effort was also set in train to compensate for the decline in the traditional employment base.

Deeside and Port Talbot travel-to-work areas were upgraded to Special Development Areas; Newport to Development Area—a status subsequently re-extended to Llanelli and part of the Abergavenny TWAs.

Special funds were made available to the Welsh Development Agency to undertake a crash programme of industrial estate advance factory building and infrastructure improvement. The Cwmbran Development Corporation also received a special allocation of £8m to develop a major new estate at Llantarnam.

Local authorities also responded by examining industrial land and accommodation needs and most are trying to do something to meet the situation within the—tightening—limits of their budgets.

The European Economic Community has also proved very helpful. Because of its traditional coal and steel base large parts of Wales have had access to the soft loans and grants available from the European Coal and Steel Community as well as the regional development and social funds for restructuring and diversification of the local economy.

In these circumstances the opportunities for private sector investment have inevitably been limited but by no means non-existent. The WDA has been working to create a better climate by pushing rents up from their historically exceptionally low levels and there have been a number of instances of highly successful private sector developments of small units and workshop-type premises for which demand has remained distinctly buoyant.

The new Enterprise Zone in the lower Swansea Valley has been proving a particularly fruitful investment location and the pace of development continues to accelerate. A second Welsh enterprise zone is to be established at Flint in North Wales, probably by June, and a third is expected to be announced in the near future, with the Milford Haven area being tipped as the most likely location.

The important point is that as the recession has deepened and the economic difficulties have spread to the even traditionally prosperous English regions, Wales has been demonstrating a capacity—surprising to some—to win a fair slice of the limited amount of footloose investment available.

The best publicised recent arrivals in South Wales have been Inmos and Mitel, which are spending £25m and £32.5m respectively on major new microelectronics facilities. In North Wales a number of prestigious high technology projects such as Deeside Titantium and Optical Fibres are coming on stream. Overall, the Welsh Development Agency has defied the prevailing economic climate by achieving a level of inquiries and lettings which has broken all its previous records.

It is true that this success owes much to a vigorous marketing campaign. It also reflects, however, the fact that modern industry is requiring increasing amounts of space for its activities. The WDA used to reckon on 5 jobs per 1,000 sq ft. Now the ratio is near 3 jobs per 1,000 sq ft. But the overall record has shown that Wales is able to generate a good take-up of new space, even at the height of the worst recessions since the 1930s.

The recession has been felt more in the sharply rising stock of second-hand accommodation, not only in the industrial market but also the commercial and office sectors. Warehouse rents in unfavourable locations have fallen back an even good quality second-hand factories are available for as little as £2 a sq ft freehold. In some instances they are being purchased and profitably refurbished as workshop units.

Naturally the hope is that the worst may be over. Certainly signs of improvement are detected by one organisation with its finger on the pulse—the Land Authority for Wales. Established under Labour's Community Land Act, LAW survived the Conservative's repeal of Act because of representations from the building industry, which found its powers to assemble and sell commercial and residential sites for development or redevelopment extremely valuable. It reckons to handle about 30 per cent of the market in development land according to Mr Ted Howells, LAW's chief executive. In the past few months there has been a distinct pick-up is active enquiries.

After two years in which the authority has failed to fulfil its land sales target of £4m per annum, he is confident it will reach its 1982-83 disposals target of £5½m, or some 120 acres of land, because of a gradually improving trend.

Rising prices are also now in evidence in the housing market. Last year there was an increase of 8 per cent but since the beginning of the year there has evidently been an increase in activity and even cases of gazumping. Assuming interest rates do not move up again, a bigger increase in anticipated this year.

Another important factor for the development of the Welsh property market is that an ambitious programme of road improvements has been largely protected from the Government's public expenditure cutbacks.

The remaining sections of the M4 have been largely completed and a great deal of radical improvement work is going on further west. The Carmarthen by-pass is due to be completed this year and work is also under way on a number of other key sections on the routes to Haverfordwest and Pembroke.

Construction work is also going ahead rapidly on North Wales's equivalent route—the A55 expressway between the English border and Anglesey. Work on the Hawarden by-pass and the Colwyn Bay-Conwy section is already well under way and construction of the next key section—a tunnel under the Conwy estuary—is due to begin soon.

In South Wales there are also a number of improvements to provide fast feeder roads to the M4 which have either been completed, as is the case of the New Inn by-pass near Pontypool, or are under construction, as in the case of the Rogerstone bypass and the Quakers' Yard-Merthyr Tydfil link.

Cardiff's communications network is due to be radically improved over the next two to three years by an arterial route which will loop from the motorway right through the south of the city, and provide quick and easy access to the dock, foreshore and East Moors industrial and commercial areas. Given a general improvement in the economic climate, all these improvements have significant implications for the Welsh property market.

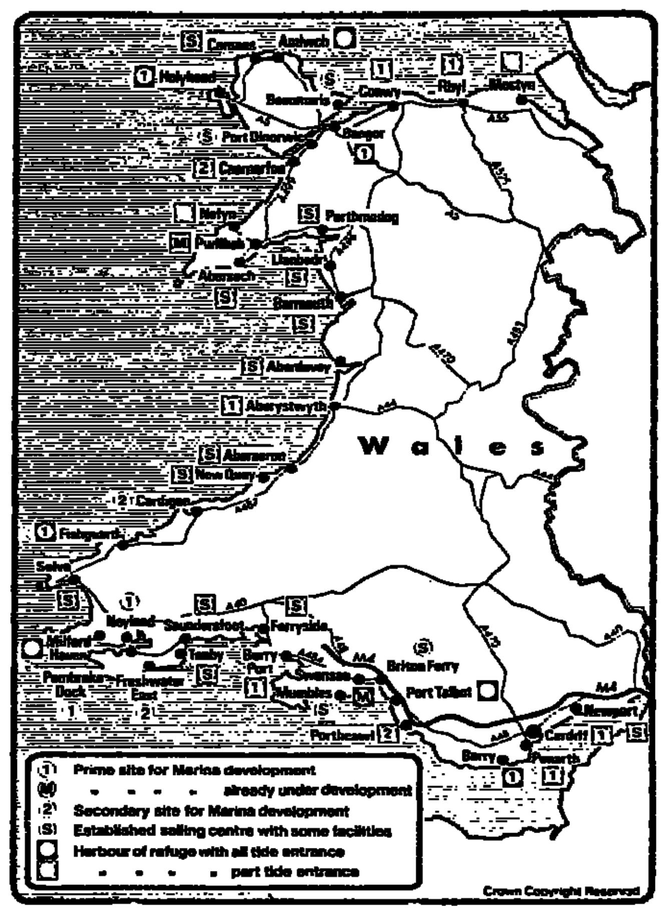
Promise of boost from sailing centres

LAST SEPTEMBER the Wales Tourist Board unveiled plans to promote the development of a chain of 12 major sailing centres around the Welsh coast, with first-class marina facilities. Although less than six months old, the concept has already stimulated a great deal of discussion and activity among local authorities which promises to have significant implications for the Welsh property market.

The strategy envisages creating accommodation for some 6,000 boats at convenient intervals to enable Wales to benefit from the growth in sea sailing as a leisure activity. It also foresees the marinas acting as a catalyst for the development of shops, hotels, restaurants and other amenities.

The Welsh Development Agency and other official bodies in Wales are backing the strategy and as a result considerable financial aid is likely to be available for the right kind of investment.

An indication of the strategy's implications from the property industry's point of view is being provided by Swansea City Council, which is in the process of transforming its derelict South Dock and foreshore immediately adjacent to the city centre into yachting marina and "Maritime Quarter."



The map pinpoints the string of marinas running the length of the coastline with which the Welsh authorities hope to cash in on the popularity of inshore sailing as a sport. Considerable financial backing is likely to be vailable

Infrastructure

The scheme is already well underway. Some £600,000 has just been spent on a new high speed lock and associated infrastructure work and the dock's 17 acres of water have been leased to Swansea Yacht Haven, a subsidiary of Hampshire-based Lymington Yacht Havens, to develop marina facilities.

Such has been the demand for space that the company is already pressing ahead with the second phase of the development, which will increase the number of yachting berths to 300. In three years' time Swansea Yacht Haven expects to have invested a total of £1m in the venture, including the provision of a repair yard.

Swansea Council, meanwhile, has been inviting tenders for the development of sites right around the marina. Despite—or perhaps because of—its insistence on tight design briefs covering the whole redevelopment on the northern edge of interest from the private sector which adds up to a potential capital outlay of £45m.

The key project among the proposed private sector schemes is a £10m 120-bedroom hotel and commercial and residential development by the Miami-based hotel group Ocean Properties. A final decision still depends on the scheme receiving aid in the form of an urban development grant. But given the go-ahead this scheme seems certain to trigger many of the other proposed developments.

Detailed planning permission has already been granted to Rateheath, a local building company, to construct a three-storey 70-unit housing development on the northern edge of the dock. The Whitegates company, a local business consortium, is planning a mixed commercial-residential development which will include a casino, restaurant, art gallery, dancing school and sea water aquarium.

On the south side of the dock a consortium consisting of the UK Housing Trust, Barratts and Turner Engineering, co-ordinated by Burgess and Partners of Cardiff, has submitted a scheme for the building of a "maritime village." This will include up to 600 housing units, shops and a pub. And the council itself has started work on six small industrial units for marina-related activities.

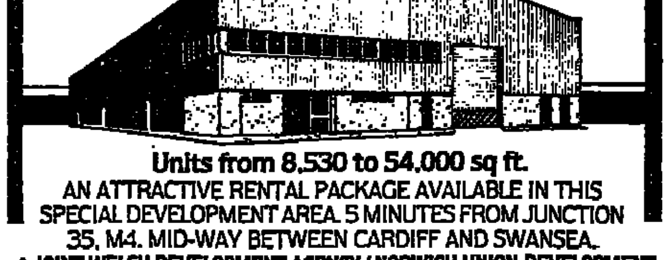
Swansea's lead

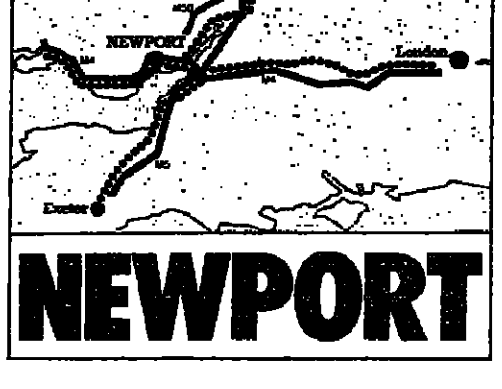
The Wales Tourist Board is now encouraging other local authorities to follow Swansea's lead. Indeed, the ultimate success of the Swansea scheme will partly depend on the development of other marinas within an easy day's sailing. In this context, encouraging developments are afoot at Penarth, near Cardiff, which has a comparable derelict dock, and at Milford Haven, where the oil refining industry's difficulties are stimulating fresh thinking about the Haven's potential.

At Penarth the Welsh Development Agency has already announced a £300,000 programme to carry out essential reclamation work. On Milford Haven, Preseli District Council has commissioned consultants to draw up a detailed marina scheme, while South Pembrokeshire District Council has earmarked potential sites on its side of the water. One local developer has already submitted a plan—but this has been put on ice pending further study and the invitation of tenders.

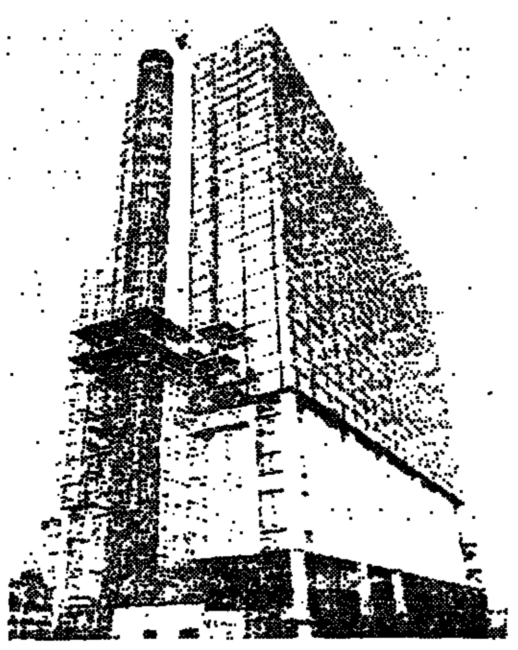
Around the coast at Cardigan Bay plans have been unveiled to spend £1.25m on developing Newquay as an all-weather harbour of refuge and Aberystwyth as a major fishing port by Mid Wales Development, the region's economic development organisation. Although the proposals are aimed principally at reviving the fortunes of the Cardigan Bay fishing industry, the Aberystwyth redevelopment in particular would be designed to enhance its appeal as a yachting centre.

Across the bay Lymington Yacht Haven has submitted proposals for a yacht marina at Pwllheli, though in this instance the scheme has run into some opposition. Work is going ahead at Bangor, however, and the strategy has also stimulated an in-depth study of Rhyl's potential by Wallace Evans and Partners, the consultant engineers responsible for the Tourist Board's original study.





PROPERTY IN WALES II



Left: The new Cardiff headquarters of Wales Gas. Above: The Tesco store which forms part of the St David's Shopping Centre, facing on to the pedestrian precinct

Some stirrings in offices market

JUST UNDER a year ago Chemical Bank, the sixth largest U.S. banking group, announced it was transferring the bulk of its operations from London to Cardiff. It was far from being the first organisation to question the economics of continuing to pay high London rents to accommodate the majority of staff when modern communications technology makes it possible to run a perfectly efficient operation from a far less expensive location. But what was interesting was that Cardiff was selected after a detailed study of the respective relocation merits of 20 cities in England and Wales, including many of the centres favoured in the relocation upsurge in the 1970s.

At that time Cardiff—unlike neighbouring Bristol—proved unable to win a slice of the private sector office relocation business, despite the M4 and British Rail's High Speed Train which has brought Cardiff and Newport within virtually commuting distance of Paddington.

The growth in demand for office accommodation has come principally from the public sector, from the decentralisation of Government departments (the Export Credits Guarantee Department and Companies Registry are now located in Cardiff), *from the expansion of the Welsh* Office and from local government. Take-up by the private sector has been largely limited to regional headquarters and confined mainly to Cardiff. Demand in Swansea—and even more so in Newport—tends to be mostly, though not entirely, local in character.

In the circumstances Chemical Bank's arrival at the height of the recession has given a significant boost to morale in the Cardiff office market. The bank is now installed in the newly completed 70,000 sq ft Trafalgar House development just off Cardiff's prime area, Newport Road, at a rent reported to be around £5.35 a sq ft.

The market has also taken cheer from the BBC's purchase of the British Steel Corporation's former 65,000 sq ft Welsh Division headquarters for just over £1m to meet the extra accommodation needs of the new Welsh Fourth TV channel; from a major 190,000 sq ft central area development by Guardian Assurance for Wales Gas and a new 18,000 sq ft regional headquarters for Lloyds Bank in *Cathedral Road.*

A recently completed 60,000 sq ft office development by Sunlife on Newport Road — Longcross Court — is 25 per cent let and further enquiries are reported at £5.75 a sq ft. Sun Alliance has also just started building work on 32,000 sq ft offices and ground floor shops redevelopment on Queen Street.

Significant stock

But there is certainly no rush to undertake any major speculative development. Espley-Tyas has detailed plans ready for 58,000 sq ft of offices on Kingsway, immediately opposite Cardiff Castle, but no commencement date. There is nothing immediately in the pipeline to meet the needs of another Chemical Bank should it arrive on the doorstep—unless, that is, it was prepared to take some of the significant stock of second-hand accommodation totalling in Cardiff some ½m sq ft, a good deal of which has been created by the transfer of civil servants from scattered offices in the City into the Welsh Office's new £20m Crown Building in Cathays Park. This process has left the Pearl Assurance tower building for instance, which commands fine views over the whole city, half-empty. One new development—South Gate House in Wood Street—has been slow to let.

Work is about to begin on a 120,000 sq ft development on the corner of Newport Road and Fitzalan Place—to be known as Fitzalan Court. But this scheme will be made up of 10 to 12 self-contained units interlinked over a central podium to give a village-like atmosphere. The development, which is expected to cost some £9m, is being financed by Campaign Properties, a local development consortium, and tenancy negotiations covering half the space are said to be well advanced.

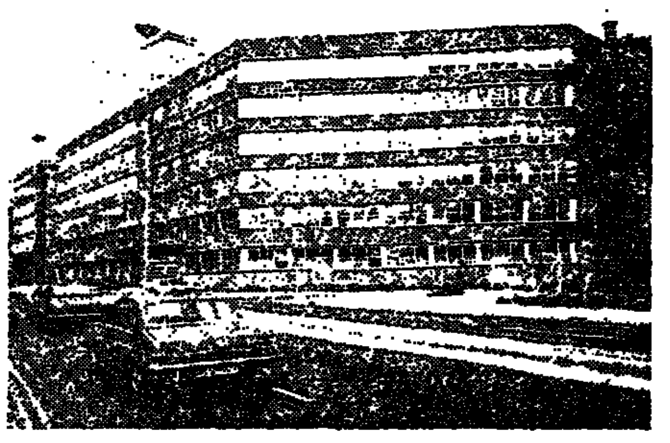
The signs are, for the time being at least, that this type of development will be the most fruitful avenue for further investment. The pendulum has swung, it seems, against large blocks for multiple occupation in favour of offices of 20,000 sq ft and under with their own front door and suitable for the regional headquarters.

Meanwhile, a fresh measure of the market's confidence is likely to be provided by a 200,000 sq ft site immediately next to the new Wales Gas development which the Land Authority for Wales plans to start marketing in earnest in the coming months.

In the retail sector Cardiff's new 500,000 sq ft St David's Shopping centre has got off to a good start and the second phase of Swansea's Quadrant Centre is complete and largely occupied. There is no let-up in large store developments, even though Wales has a higher proportion per head of population than the UK average. *Sainsbury's is moving into both* Cardiff and Swansea for the first time with major developments.

Interest is currently focused on the fate of a £25m American-style shopping and "theme centre" on Queens St being put forward by Guardian Royal Exchange.

The scheme would incorporate a department store, 34 shops on two levels, restaurants, a glass topped central area for market stalls and recreation facilities and a 50 ft waterfall. But amid accusations that the development will create more retail accommodation than Cardiff can now cope with, it has just been refused planning permission on the grounds it goes against the county structure plan and would increase traffic congestion. Guardian Royal is undeterred, however, and has been attempting to rally public *opinion behind the scheme* by mounting a special exhibition to display its merits.



The Cardiff offices of Chemical Bank, the sixth largest U.S. banking group. The bank's decision to transfer the major part of its UK operation from London injected a much-needed touch of optimism into the local property market

Development Agency in modified programme

THE ROAD to hell may or may not be paved with good intentions but it was certainly the original intention of Mr Nicholas Edwards, the Secretary of State for Wales, on assuming office in May 1979 to curb radically the industrial property development activities of the Welsh Development Agency (WDA)—in order to make room for greater private sector activity.

In the event Mr Edwards was blown off course by the gathering steel crisis.

Faced with the shutdown of iron and steel making at the British Steel Corporation's Shotton works in North Wales and massive redundancies at Port Talbot and Llanwern in South Wales, he felt politically obliged to sanction a programme of advance factory building and new industrial estate development which transformed the WDA into the biggest industrial *property developer in Western* Europe.

Last year, the agency added a total of 2.5m sq ft of new space to its portfolio which now totals nearly 20m sq ft—or 450 new factory units. This was more space than it had built in the whole of its previous five year's existenge. Yet by combining this programme with a £1.7m marketing and promotion drive, it found tenants for 1.5m sq ft or 250 units—no mean achievement given the intensity of the recession.

In the current financial year it has cut back its building programme to around 1m sq ft of new space and is concentrating more resources on infrastructure provision, pending an increased take-up of its now large stock of premises.

Factory design

Meanwhile the agency's current construction programme includes a new design of factory premises being built at its new Dafen industrial estate, Llanelli. The new units have improved insulation and draught-proofing which should cut heating bills by up to 50 per cent. The basic units can also be subdivided or multiplied to provide a total of *19 different types of self-con*tained factories ranging from 550 sq ft to 50,000 sq ft. They will also incorporate a greater proportion of office accommodation, reflecting the fact that the distinction between industrial and office space is becoming blurred in modern new technology industries.

The infrastructure programme includes the acquisition of a number of sites in key locations aimed particularly at meeting the needs of knowledge-based and other high technology industries. A contract worth £160,000 was recently awarded to start the development of a 22-acre greenfield site at Mamhilad, near Pontypool, as a high technology park. Two other sites earmarked for development along the same lines are 24 acres at Griffithstown which will be called Pontypool Industrial Park and 58 acres at St Mellons between Cardiff and Newport.

At the same time it has sought to give encouragement to the private sector by lifting rents from historically very low levels in order to provide a more attractive market for investment and also where possible by involving private sector funding in some of its developments.

A modern WDA factory now commands on average £1.70 to £1.80 a sq ft, a 30 per cent improvement on the level ruling some 18 months ago. Smaller units in prime locations can make as much as £2 to £2.50 a sq ft.

It was the prospect of rental growth which persuaded the Norwich Union Insurance Group and CIN Properties, the coal industry pension fund subsidiary, to invest £5m and £3m respectively in factory developments at Bridgend, Cardiff and Barry.

That was more than two years ago. Discussions with up to a dozen financial institutions have taken place since, but because of the recession the only tie-up so far has been a rental guarantee agreement by the agency to ICFC Developments for pressing ahead with construction of 23 workshop units at Llantrisant, Mid Glamorgan.

Under the terms of the agreement the agency will take short-term leases on the units immediately they are completed, thereby guaranteeing a return from the outset. For its part, the agency will receive a share of any rental growth on units let during the period of the scheme.

Conversion grants

Drawing on the experience of Gwynedd County Council over the past two years the agency has also just announced an interesting scheme to provide grants of up to 35 per cent of the cost of converting redundant buildings in rural areas into useful workplaces. The grants, which cover professional fees as well as conversion work, are aimed at encouraging the refurbishing by small companies of derelict barns, redundant chapels, disused dairies, abandoned military installations, unwanted schools, old railway *stations and obselete mills.*

PROPERTY IN WALES III

Mid Wales Board scores with small factories

THE DEVELOPMENT Board for Rural Wales was established in 1977 as a country cousin of the Welsh Development Agency (WDA and charged with the task of tackling the century-old problem of depopulation in the Mid Wales districts of Brecknock, Montgomery and Radnor (making up the county of Powys), plus Ceredigion and Merioneth.

As with the WDA, the building of advance factories to provide new employment has been a major plank of the board's activities. But it also has the power, unusual for an economic development body, to build houses. Its ability to market a factory plus house for rent has proved a particularly useful attraction for the entrepreneur getting into business by selling his own house to raise the initial capital.

The board—recently renamed for marketing purposes Mid Wales Development—has enjoyed considerable success in filling both the factories it has built itself in selected towns throughought Mid Wales and the stock it inherited from predecessor bodies.

Countryside

It has undoubtedly benefited from a trend among small businesses to move from inner cities and traditional industrial areas to the countryside. But with rents in Mid Wales currently static at between 90p and £1.35 a square foot for industrial space £2.50 a square foot for office accommodation and around £4.50 for shops, there is as yet little incentive for significant private sector activity.

The recession has taken its toll in the last two years. Of its total stock of 279 factories, amounting to just over 2m square feet, some 42 units or 250,000 square feet are currently empty.

In the period March to December last year it let 60 factories but suffered 40 "withdrawals." A further 35 factories totalling 75,000 square feet are currently under construction, *most of* them small units of under 5,000 square feet.

The emphasis on smaller units reflects the pattern of demand for space in the current economic climate—large units are proving difficult to let whereas smal units are going surprisingly well. It has been reinforced by the Government's decision to go ahead with downgrading of large parts of Mid Wales Development's operating area for regional grant purposes. Last August, a large slice of Mid Wales was descheduled altogether.

As compensation, however, the Board has been given the power to make small business grants out of a block allocation, in the first year, of £350,000. According to Mr Peter Garbett-Edwards, the board's development director, the new grant scheme is attracting considerable interest and the first half dozen applications have just been approved.

The board's building programme in the next financial year is to include the construction of two small science/technology parks at Aberystwyth and Newtown. The Aberystwyth site is being developed in close co-operation with the town's University College of Wales in the hope that there will be some useful cross fertilisation. The development in Newtown, where the board acts as a new town development corporation, is aimed at attracting small high technology companies from outside the region. It will incorporate a small business centre to provide common computer, telephone and clerical services for the smaller units.

Also in Newtown, Mid Wales Development is building a 3-storey, 22,000 sq ft office block—St David's House—on the same principle as an advance factory. But with Newtown now approaching its target population of 11,000, the Board is planning in future years to give greater emphasis to the development of Abersystwyth and Llandrindod Wells. It is already concentrating on efforts to stimulate these two towns as district shopping centres.

Land authority raises sights

AFTER TWO years in the *doldrums* there are definite signs of more activity in the commercial and residential markets, according to Mr Ted Howells, chief executive of the Land Authority for Wales (LAW). He traces the improvement back to the start of the fall in interest rates last autumn—and indeed detected temporary signs of hesitation at the beginning of this year when it looked as if interest rates might rise significantly again.

The Land Authority is well placed to judge the feel, of the market. Established under the last Labour Government's Community Land Act, it survived the Act's repeal by the Conservatives because of a widespread recognition, particularly in the building industry, that it was doing a valuable job in assembling sites for development and redevelopment and ironing out bottlenecks in the land market.

In England and Scotland the Act broadly speaking never really worked, not least because its powers were vested in local authorities rather than a separate organisation.

LAW aims to supply some 30 per cent of the Welsh commercial and residential land market by maintaining a bank of development land, putting in the necessary infrastructure and then selling it on to builders and developers either by public tender or, occasionally, by negotiation.

LAW has proved particularly valuable to small builders because it is prepared to arrange deferred payment for land in order to ease their cash flow difficulties. Thanks to its compulsory purchase powers it is also able to take over difficult sites with infrastructure problems, multiple ownership and/or unsound titles, give them a sound title and turn them into marketable propositions.

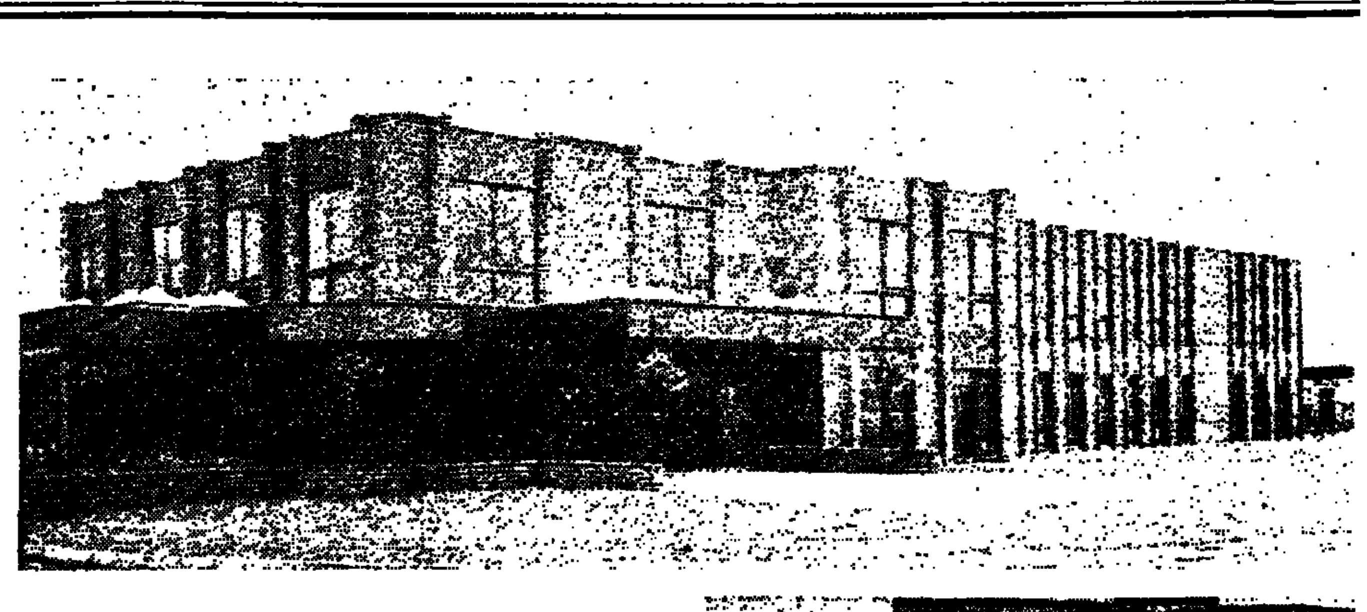
During the recession LAW has acted as a land "wholesaler," preparing the infrastructure of sites ready for an upturn in demand. This is a process which in its experience takes an average of two years but which few in the private sector are prepared to undertake until they see a buoyant market—hence the appearance of bottlenecks even when the amount of land with planning permission appears more than adequate.

On price, LAW's policy is to sell at a reasonable price or not sell at all. For every £1m spent on purchasing land and infrastructure improvements it has received an average £1.4m from sales. Each developer in turn spends an average of £14m on developing the land.

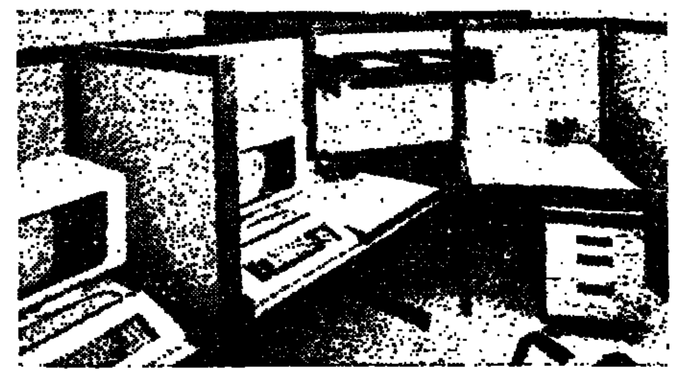
The profit for LAW's operations are scheduled eventually to be distributed back to the community, probably Welsh local authorities, but at present it is still paying back the £6½m borrowed to launch its activities seven years ago.

At the last count the authority held a stock of land totalling 1,233 acres worth £15m to £16m. Some £3m is being added in the current financial year.

On the disposals side, in the financial years 1980-81 and 1981-82 the state of the market was such that the authority failed to meet its sales projections. But in 1982-83 the more buoyant market is bringing within reach its sales target of 120 acres worth some £5½m. On present form, it expects to boost disposals at reasonable prices still further to meet developers' increasing needs in the coming financial year.



Expanding N. Wales group



The new headquarters (above) at Deeside, Clwyd, North Wales, of Iceland Frozen Foods, a rapidly expanding group with 54 freezer centres serving the North-West. It enlisted the services of Project Office Furniture on a package basis to equip the interior of the building with an eye to increased productivity and the group's expansion needs. Part of the installation are the VDU workstations (right) communicating with the group's IBM Systems 38 minicomputer.

Lure of the Enterprise Zone

DESPITE THE dominance of the public sector in the Welsh industrial property market, the private sector has not been dormant. At the height of the crash programme of advance factory building being undertaken by the Welsh Development Agency (WDA) to offset Wales's massive steel redundancies, the Norcros group announced the development of a £20m-estate of 30-acres in Cardiff's northern suburbs, close to the M4. Infrastructure work for the whole site has just been completed and more than two-thirds of the first phase of 75,000 sq ft in high quality units of 3,000 sq ft to 16,000 sq ft have been let at rents of £2.25 to £2.50 a sq ft —double the levels currently prevailing in the south of the city.

Work is due to start shortly on the second phase of 50,000 sq ft and the agents are in advanced discussions with three companies each wanting custom-built premises in excess of 50,000 sq ft.

Similarly in North Wales a civil engineering company, F. G. Whitley and Sons—undeterred by the large amount of space being put up by the WDA and local councils in the wake of the Shotton rundown—built a new estate near Mold which has now been largely let.

In South Wales again, Hollybond of Bristol has just submitted a planning application to develop a 60-acre high technology science park at Island Farm on the A48 near Bridgend. The county council has just proposed extending it by a further 30 acres.

A great deal of private sector interest is concentrated on the Swansea Enterprise Zone. Extending to 735 acres of mainly reclaimed land in the Lower Swansea Valley—once a by-word for industrial dereliction—it is proving among the most successful of the enterprise zones.

The amount of space which has either been taken up or built since the zone was first announced in March 1980 has already generated just over 1,000 jobs. One-third of companies taking space are start-up businesses and a further quarter are new branches of companies which have not previously had a presence in the region.

William Moss Developments was fortunate enough to have a speculative development of units ranging from 3,000 sq ft to 11,000 sq ft included in the zone and those are now all let. The city council itself, which owns a high proportion of the land within the designated area, was also ready with a range of units totalling 60,000 sq ft and all but one or two are now let.

Current space under construction includes a 30,000 square feet distribution depot and pub for Bass Wales and the West, a 30,000 square feet warehouse and distribution depot by Court Developments (Wales) for Debenhams, another 15,000 square feet distribution depot for Usher Brewery; a 45,000 sq ft superstore by Tesco's and a further 20,000 sq ft retail premises by Norman (Budleigh).

Enterprise Zone Developments has just completed a group of units which add up to some 17,000 square feet of space varying from 750 square feet to 1,500 square feet and lettings are going well. An associated company has agreed terms for a second phase of similar size and shape.

The council is also building a group of units which are earmarked for the motor trade. This "Autocentre," as it will be called is already in lively demand.

Partnership

Developments in the pipeline include a 80,000 sq ft cash and carry warehouse to be built on that part of the zone which is being prepared jointly by Swansea Council and the Land Authority for Wales. Indeed, it will be the first development on the partnership land. Discussions are also at an advanced stage for the building of a further two major distribution warehouses, some speculative retail/wholesale warehousing mixes and possibly a hotel. Moreover, there appears to be no let-up in interest. Serious inquiries for either units or land are continuing at an average of a dozen a week.

It remains to be seen whether the announcement of a second Welsh Enterprise Zone—this time at Flint in North Wales—will stimulate equal interest. The proposed new zone is still at the consultation stage but Delyn Borough Council are proposing an area of 260 acres which will include Courtaulds' former Castle Mill, now in private ownership, the same company's Deeside Mill, which is in part production, the Aber works which is jointly owned by the council and the WDA, Manor Industrial Estate and a number of smaller sites, some of which will have to be reclaimed. In short, it will offer a fair amount of immediately available accommodation as well as land for development. The council hopes to complete the administrative formalities in time to secure official designation of the zone by June.

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A measure of our problems

THE GLOOMY forecasts for the UK economy offered by the *OECD in its latest study are not* surprising — the projections are, as usual, very much in line with those made by the British Treasury — and they are to some extent out of date. The sterling effective exchange rate has fallen by about 10 per cent since the main study was made, and there is little doubt that in the short-term, at least, this will prove a benefit. Loss of competitiveness is shown to be the main cause of British decline, and some margin has been clawed back.

In this sense Britain is already getting some benefit from the expected decline in oil prices, which should in due course add rather less than 1 per cent to developed world growth in general; and a less *uncompetitive* position in a rather less anaemic world market is an undoubted blessing.

If the Government's hopes — *which we share — that the im*pact on domestic prices will be small proves well founded, the benefit will be lasting. Rather more of the growth of UK demand will work through to domestic industry, and export prospects should be considerably better — as the leadership of the normally pessimistic Confederation of British Industry has already confirmed.

Threat

However, the fact that things are not quite as bad as they looked as recently as December is not the same as saying that everything is now going well; and the real value of the OECD analysis is that it shows how formidable the underlying problem remains.

The de-industrialisation of Britain is no longer a blood-curdling *rhetorical threat; it* is becoming an accomplished fact. Not only has output fallen, but so has industrial capacity and th stock of productive capital. Since labour productivity has at last been rising, the loss of employment opportunities has been severe, and it will take many years of expansion, both in manufacturing and services, to make anything like full use *of the country's human re*sources.

Incentive

While the loss of overseas competitiveness has been devastating—it peaked at 55 per cent after the wage explosion and simultaneous rise in sterling in 1979-80—it is not the whole story.

Internally, for example, the cost of labour has risen nearly 26 per cent more than the cost of capital equipment since the present government took office. The price mechanism therefore gives industry a strong incentive to invest in labour saving rather than overall expansion. The rise in productivity—the favourable reflection of labour-shedding—has not been strong enough to counteract this change in relative prices; there are still stronger reasons than in 1979 *to shed labour.*

These brute facts of shrinking productive capacity and rising unemployment must inevitably set the economic agenda for several years to come. The underlying improvement in efficiency and the dawn of rational wage bargaining are a necessary but not a sufficient condition for recovery: official policy must help, and this will be the test for next month's Budget.

The OECD suggests very much the same priorities which we have been urging—an attack on the poverty trap to improve incentives, measures to reduce employment costs, on the lines urged by the CBI, and the deployment of idle labour in an enlarged programme of public sector investment. The OECD sees some room for cautious fiscal relaxation to finance this programme; but there is certainly no room for fripperies, such as the back-bench campaign for yet more concessions to owner-occupiers.

The damage, as the OECD analysis shows, is grave, and the only priority must be to help in repairing it.

UK tactics on EEC budget

THE British Government—and its partners in the European Community, for that matter—*can only be relieved that the* European Parliament has at last endorsed a supplementary budget which will significantly reduce in retrospect Britain's excess financial contribution to the Community in 1982. The form in which that endorsement has been given strongly suggests that the UK may need to reassess its negotiating tactics for gaining similar rebates in future, as well as its attitude to the overall size of the Community budget.

Until now, rectifications to Britain's excess budgetary contributions have taken the form of largely financial rebates. The Parliament has now ruled out this kind of monetary book-keeping, and insisted that future effective adjustments of net national contributions must take the form of expenditure on genuine, and better balanced, Community policies. This time round the member states have complied with Parliament's wishes, by ear-marking substantial sums to energy projects in Britain (and Germany).

If Parliament sticks to its position, the British Government will not in future be able to count on getting any purely financial rebates, and will have to take a more expansionist view of Community spending in non-agricultural sectors than comes naturally.

Reform

Just how the Community budget is to be rebalanced, so that the British problem can be taken care of on a permanent basis, remains uncertain. To hope for a radical reform of the Common Agricultural Policy to reduce its share of the budget well below the current level of 65 per cent, seems unrealistic. The UK now only hopes to contain the growth of farm spending below that for other sectors.

Even that may be over-optimistic: the admission of Spain and Portugal will unavoidably lead to an increase in spending on a range of Mediterranean products, at least for a period. Since the development of non-farm spending policies is liable to be a time-consuming business, the UK has until now contended that an interim (financial) solution must be found for the next two or three years, until a more *permanent balance can be* achieved.

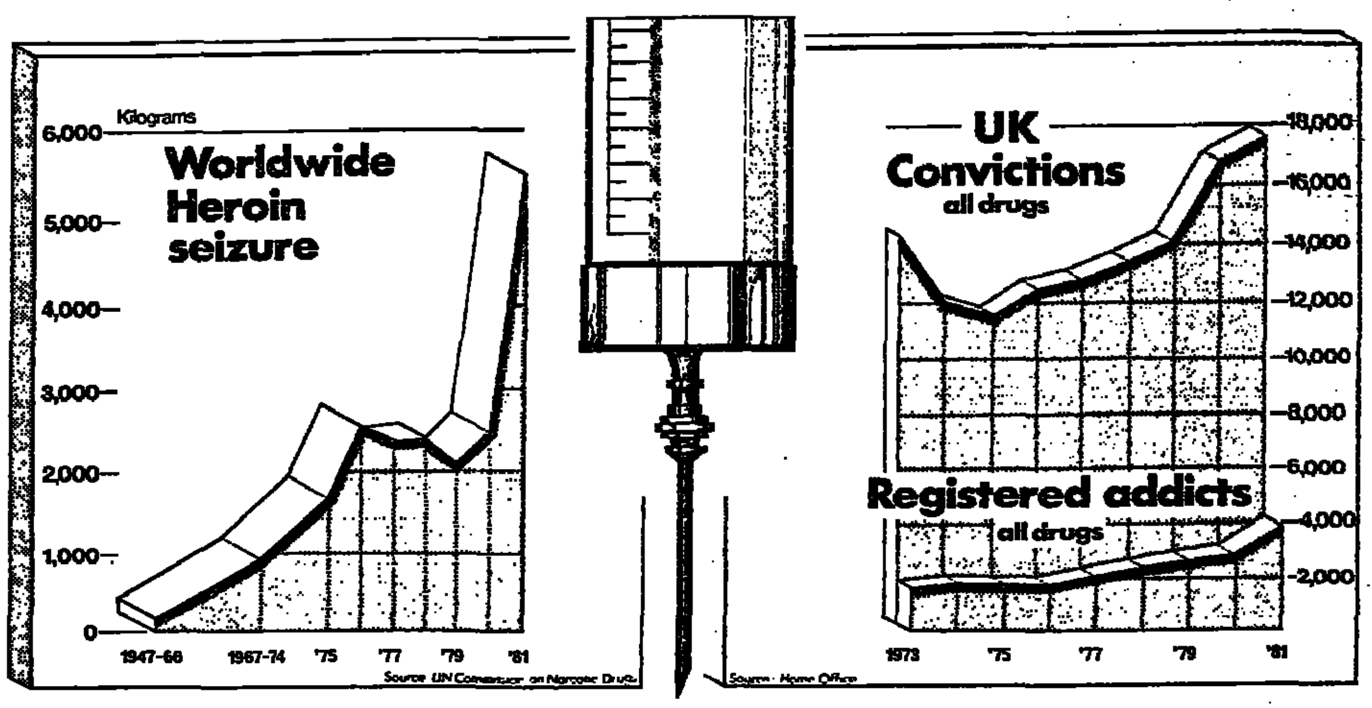
Agreement

The question now is whether the European Parliament and the British Government can between them succeed in significantly abbreviating that time-consuming process. The Parliament has demanded that the Commission table precise *proposals for the development* of Community policies by the end of May, and that decisions on them (by the member states) be effective by the end of the year. In the past, the Parliament could not be counted on for consistency or firmness of purpose; but since it faces re-election little more than a year from now, it may feel it has found an issue on which consistency will be rewarded.

Such a time-table does not offer an early agreement on this year's effective rebate to the UK. Mr Robert Jackson, the Parliament's budgetary *rapporteur*, yesterday suggested that Parliament would turn a blind eye to some purely financial element in this year's budget deal; but the general sense of the Parliament's position is that the 1983 arrangement must represent further development of Community policies.

Any delay must seem unattractive to a government which is itself facing an election. But in the circumstances, for Britain to reinforce rather than obstruct parliamentary pressure for new spending policies, may be to make a virtue of a necessity.

In the last resort, as the other member states must be aware, the UK may feel it has no alternative *but to withhold pay*ments to the Community. But to wield that ultimate weapon prematurely would be counter-productive. In the meantime, the UK should give maximum support to the Commission's suggestion this week that new sources of budgetary revenue should be raised by taxing agriculture. Such an innovation would take time to negotiate, and more time to ratify in national parliaments; but if introduced, it could ease the British budget problem, and exert pressure for farm reform.



Brano Radovic

Drug addiction: a war the world is losing

By Ian Hargreaves

DEFEATED. That is the only word to describe the atmosphere hanging over this week's meeting in Vienna of the United Nations Commission on Narcotic Drugs.

As the conference opened, with the traditional ritual of country-by-country reports on illegal drug traffic, it was like watching a large black jigsaw being assembled piece-by-piece in public.

Italy told of heroin laboratories *recently unearthed in* Sicily, indicating the re-emergence of Mafia dope rings; Malaysia reported a 13 per cent increase in drug addiction; Britain a doubling of heroin seizures by customs in 1982.

Pakistan, wihch has become Europe's biggest heroin supplier and created o ver 25,000 addicts of its own as a by-product, said its black market was now in turn being flooded with illegally handled western pharmaceutical drugs. Sweden said heroin abuse had now spread well beyond the normal confines of the big cities. And even China, which amazed everyone in the 1950s by stamping out opium with a mixture of ferocious law enforcement and sealed borders, admitted that last year heroin had made its return.

Mr Michael Davies, who heads the commission's section on illicit traffic, said that "perhaps the most worrying aspect is the extent to which drug trafficking is linked with organised crime, including illegal arms trafficking." There was, he added, no sign of any let up.

Other judgments point in the same direction. "We have a heroin epidemic all over the world," says Mr Dominick Di Carlo, the U.S. assistant secretary of state responsible for narcotics. "The general view is that we are *sitting on a pow*der keg and I don't dissent." says Dr Philip Connell, who runs a leading London clinic for drug dependents.

What figures there are tell the same story. World heroin seizures have multiplied by more than three since 1975. Nor is it only heroin, cannabis resin seizures are up four times in the same period. In 1981, 47.8m doses of stimulants, such as the amphetamines once widely used for slimming, were seized, against 8.2m in 1975 and 36.3m doses of that most swinging of the 1960s drugs, the hallucinogen LSD, compared with 206,000.

Since even the most optimistic customs men claim only a 10 per cent success rate against drug smuggling, that represents an awful lot of contraband. Drug crime figures follow a similar slope in most countries, as do the casualty rates. In 1973, the Italian authorities recorded just one drug-related death: last year they counted 250. Germany recorded 380.

In Europe the most talked about drug, although not in all countries the most troubling, is heroin, which before 1975 was virtually unknown as a drug of abuse in Europe outside Britain.

The transformation began at a trickle when reduced demand from American soldiers in Vietnam and the occasional good harvest started to push small quantities of "Chinese" heroin from the Golden Triangle between Burma, Laos and Thailand into the Soho district of London in the early 1970s.

Before that, Britain's fairly stable population of about 1,000 registered opioid addicts had been introduced to the drug with 100 per cent pure, British pharmaceutical heroin. [Opioid drugs are those derived from opium or synthetic opium.] Britain is still one of the few countries in the world which continues to use heroin as a pain killer.

Revolution in Iran in 1979 released a bigger wave of the drug to Europe as Iranian exiles used heroin as a compact form of export capital. Then in 1980, brown Pakistani heroin ("brown sugar") started to pour out of the destabilised north-eastern frontier province along the Afghan border, with Turkish nationals playing a prominent role as intermediaries. It arrived in the soles of shoes, inside bags of rice and, in smaller quantities, inside people's bodies.

Heroin becoming a recreational drug in Britain

Last year, according to preliminary Interpol figures, 1,107 kilogrammes of heroin was seized in Europe, up from 880 kg in 1981. Some 73 per cent of the drug came from the Near East and 18 per cent from the Far East. Equally alarming, heroin manufactured in southern Europe appeared for the first time in the tally—at 9 per cent of the total. Interpol believes that this indicates the re-activation of the infamous Italian and French connections which were major channels of supply to the U.S. in the 1950s and 1960s. The non-European seizures were fairly evenly spread along the overland trail from Turkey through Austria, Switzerland, Germany and France.

One effect of this flood was to undermine the price, which in Britain has halved in real terms in the last five years, now selling at £60 a gramme, or even £40 according to some current reports. A serious user might consume between a quarter and one gramme a day; a beginner might start with an eighth. In Norway, Interpol says a gramme can now be bought for as little as NKr 3,000 (£273) down from NKr 10,000 at the peak and in Hamburg for a mere DM 300 (£80).

Since 1981, it has been possible to buy £5 and £10 bags of heroin on the streets of several British cities, providing an easy and cheap way for novices to try the drug. As a *result heroin, sniffed or smoked* rather than injected, has become a significant recreational drug, encouraged by inaccurate street talk that inhalation of heroin is non-addictive.

"People say they know more places to score heroin than to score cannabis," says Richard Hartnoll, a researcher who is examining drug abuse in two north London boroughs. There is, *he adds, increasing evidence* of heroin use by teenagers and of its spread beyond the normal social confines of the children of the middle classes.

Mr Hartnoll's research is also helping to pioneer new techniques of quantifying drug abuse and his early findings suggest that Home Office figures on drug addiction are probably understated by a factor of five. This suggests an opioid addict population of about 20,000 in Britain, compared with an estimated 200,000 in the entire EEC and 600,000 in the U.S. But in Britain, the annual growth rate of new notifications to the Home Office has exceeded 30 per cent in each of the past two years.

However, heroin is only part of the picture, as the UN figures indicate. Synthetic opioids like Tethadone and Dipipanone, developed as heroin substitutes and still widely used to wean addicts off heroin, are also reaching the black market in unprecedented quantities, along with a whole phamacopia of depressants and stimulants or psychotropic drugs, as the UN classifies them.

The UN, much to the irritation of the pharmaceutical industry, is continually trying to extend the range of its control over these drugs by broadening the scope of its 1971 convention on psychotropic drugs—the latest push being to bring Diazepam (better known as Valium) into the listings as a schedule four controlled drug.

Listing of a drug requires manufacturing and consumer countries to control its prescription, and to supply detailed information about its distribution a requirement sufficiently onerous to have led many manufacturing countries to refuse to ratify the convention. In the case of Methaqualone, for example, (a powerful depressant sold in Britain under the name Mandrax) Switzerland, a large producer of this as of many other drugs, provides no information.

Still more supplies of these psychotropic drugs are produced by illegal laboratories or by leakage from over-generous prescriptions written by naive or, very occasionally, corrupt doctors.

What this tends to mean is that in a country where one drug may become briefly less popular or more scarce, another takes its place. In the U.S., for example, the last two years have seen a fall in heroin and cocaine seizures, but a huge increase in traffic in amphetamines, much of it organised by motor-cycle gangs. Although heroine and amphetamines are hardly interchangeable, since the early 1970s there has been an unswerving trend towards multiple drug abuse, where the user mixes different drugs to powerful, sometimes fatal effect.

Alternative crops policy still to prove itself

In the case of drugs like heroin, cocaine and cannabis, with either little or no accepted medical use, the problems of controlling supply are of deep and longstanding political and economic complexity. Bolivia's cocoa leaf crop, for example, is thought to be its most valuable export and in the last few years many sub-Saharan farmers, like Jamaican and Lebanese farmers before them, have discovered the virtue of cannabis as an easy to grow cash crop with a steady market.

Mr Di Carlo, whose Government has worried away at this problem longer than any other, is adamant that the only way *to win the narcotics war is to* persuade produce countries to force their farmers into alternative crops.

A mix of arm-twisting and financial aid has for years been offered in support of this policy, without any impact at all on the overall scale of the problem. As one source, like Turkey in the late 1970s, has closed down, another has opened up. In a new initiative to broaden the diplomatic thrust, Mr Di Carlo has spent much of the last year trudging round European foregin ministries looking for backing. "In some of them, you get the reaction: why did you come here instead of the health minister?" he says.

If the anti-narcotics effort rests solely on U.S. diplomacy, he argues, it is bound to suffer whenever U.S. bilateral relations with a producer country, like Iran, are chilled. "Diplomacy is more important than money," he says in bringing about a solution. "We aren't going to solve the problem if we continue as we are."

There are some indications that this approach may be having some effect in the case of Pakistan, where four countries are involved in assisting a major state crackdown, which last year closed 27 heroin laboratories. But the level of lawlessness on the North East frontier makes this an uphill task, to say the least.

How western societies, their law enforcement authorities and care agencies should respond to these alarming events is a matter of debate everywhere.

In the U.S., the approach has been typified by the Florida task force which in the last year has drafted 400 additional federal agents in the fight against a $12bn a year illegal drugs industry and raised the state's sales tax to pay for it. A further 12 task forces are now planned at a cost of $140m a year and places as far afield as Canada have reported a spill-over of disrupted Florida traffic.

It is too early to say whether this effort is doing more than transfer the problem from one area to another. Across the Atlantic, the Paris drugs squad has also been increased by 50 per cent.

Britain has traditionally avoided such heavy-handed tactics, although there is growing agreement that with the appearance of organised crime linked to gun-running and forged money in the British drugs scene, more resources will be needed for the sophisticated business of tracking down suppliers, rather than going for the easy prey of small-time drug users and middlemen.

The most important recent event in the British response, however, was not to do with law enforcement but with treatment and rehabilitation, the subject of a long-awaited report from the Advisory Council on the Misuse of Drugs. The Government has already promised £6m over three years to implement changes.

The report's aim says Dr Connell, the council chairman, is to produce a diverse network of care *facilities, using hospital* clinics, GPs, social workers and publicly funded non-government agencies, to match service to the widely differing needs of individual drug users. "I believe it is best to regard these people as a handicapped population—that is my conclusion after many years," he says.

Depending upon your viewpoint, that is either defeatism or a sensible attempt to re*define the nature of the battle* in line with reality.

Men & Matters

Glasgow rangers

The Confederation of British Industry still seems a little nervous about holding its first conference in Scotland this autumn.

Adam Smith, it is recalled, while praising the attractions of Glasgow, was interrupted by Dr Johnson who asked: "Pray sir, did you ever see Brentford?"

And there are fears that many CBI members may feel much the same way about leaving Eastbourne to venture north of the border—despite their Scottish president Sir Campbell Fraser, of Dunlop ("They've been McIntyres for years") and other expatriate Macs in the ranks.

One idea under consideration for lending a bit more colour to the event is that the CBI should design its own tartan. Though the Lyon Court keeps a strict eye open for any false historical claims, there is apparently nothing to stop anyone from doing his own thing.

"I can see far, far into the future—there's no sign of Shergar but Charlie Haughey is still there"

The only problem facing the CBI is what combination of colours it could use. Even a thin red line seems to be out. So is a yellow stripe. And with the ecology "greens" ever more troublesome, that colour grows daily less suitable.

Different shades of blue might be apt, though.

On side

Tory elder statesman Harold Macmillan, 89 yesterday and planning to make an appearance shortly on BBC breakfast television, still enjoys his odd moments in the limelight.

But Westminster's old actor-manager says he long ago learned not to rate his performance too highly. Back in 1957 when he was appointed Prime Minister, the news took second place in his local paper to a *report on a Brighton football* match.

Macmillan kept the cutting on his desk at 10 Downing Street as a warning against any ideas of self-importance.

Oil slicker

Put more than 1,600 oil industry executives in one ballroom and the temperature is bound to rise.

Put David Bellamy, conservationist and recently Australian jail expert, on the speakers' podium and watch it go up several degrees more.

The gathering of the Institute of Petroleum at the Grosvenor House, London, was saved from the usual self-congratulatory tedium of such affairs by the ebullient irreverence of Bellamy. He was all the more welcome as he followed a sombre speech by Hamish Gray, minister of state for energy, who told his audience uncompromisingly that BNOC "Does not set the price of oil in the North Sea—it discovers it."

Bellamy entertained with tales of killer whales and strange fishes, while quietly making his plea for more investment in conservation.

Perhaps minding his manners a bit too much he only lashed out at his hosts once.

In his final observation he remarked that the occasion was lacking in one thing—a large cake topped with 200m candles, one for every year that living things had been rotting in order to produce the wealth enjoyed by the assembled company.

View point

Concerned at the lack of new industry coming into the town to replace 16,000 lost steel jobs, Scunthorpe Borough Council will begin advertising the attractions of the area in a four-minute TV commercial on Sunday.

The film itself cost £14,000 to make and will be the longest commercial shown on British television.

Councillors invited to a preview this week, however, saw a side of Scunthorpe they did not recognise: a spacious shopping precinct quite unlike the town's cramped High Street.

The film-makers, it seems, decided to add to Scunthorpe's attractions by shooting a few *scenes in Leeds.*

Mature student

Bernard Buckman, chairman of Wogen Resources, a metal trader and a long-standing China Hand, is doing his bit to help the British Government attract foreign students back to Britain.

He is a governor of London's School of Oriental and African Studies and, although in his seventies, he is to try for an O-level in Chinese next summer.

Wogen has recently celebrated its tenth anniversary and the 30th anniversary of its allied soft commodities trading company, by setting up a charitable trust worth more than £100,000. Most of the money will go to financing three separate year-long scholarships for Chinese graduates in the metallurgy department at Imperial College, London.

Buckman is asking China's ministry to submit a short list of candidates. "We had to work hard on our board to get such a long-term project through" he says. "Naturally we hope that Chinese students will be so impressed with metallurgy standards here that they will turn to Britain for expertise in the future."

Enough said

Though it is more than 150 years since Lord Brougham established *the six hour record*, members of the House of Lords frankly admitted yesterday that they are still too often bored by each other's long-winded speeches.

Regular nine hour debates were proving much too arduous, the 98-year-old Lord Shinwell complained.

Lord Orr-Ewing suggested a red light should be flashed after ten or 15 minutes to per*suade a speaker to sit down.*

Lord Mishcon had a brighter idea. "Would it not be better," he said, "if some members were not present for their own speeches?"

Down market

A customer walked into an Andorran off-licence and asked for eight cans of beer. "Those are no good," he complained as the shopkeeper put them on the counter, "the ring-pull is on the bottom of the cans."

Observer

POLITICS TODAY

The Speaker and St. Trinian's

By Malcolm Rutherford

THE ODDS must still be against an early general election. Mrs Thatcher's preferred date is March 1984. Her argument against June this year is that there is no obvious reason for going to the country so soon.

A subsidiary argument—which implicitly reflects a lack of total confidence that she will win—is that if she went early and lost, she would never be forgiven by the Conservative Party (or herself) for handing over the Government to Mr Michael Foot prematurely.

The same arguments might be applied to October this year, though less strongly, for it is hard to foresee what might happen during the summer months to invalidate them.

At present, the only development likely to change Mrs Thatcher's mind would be sustained turbulence on the foreign exchange markets. She dislikes what she has come to regard as currency speculation and, if it took off in a big way, might be prepared to go to the country early on the grounds that only a re-elected Conservative Government could restore stability.

But that hasn't happened yet, despite the scare last month. And one has to report that even some Ministers best placed to advise have backed away from advocating an early election because they are convinced that the Prime Minister won't wear it. Their consoling thought is that even when they have opposed her before, Mrs Thatcher has usually been proved right. This time, they wonder: not least because they believe that the Labour Party is frightened of an election in June.

* * *

An important change in parliamentary procedure was confirmed last week when Mr George Thomas, the Speaker of the House of Commons, suddenly called an all-party conference to consider what he described as "the outrageous way in which Prime Minister's Question Time is being ruined."

Mr Thomas has made no secret over the years of his dislike of the "open question" and his concern about parliamentary noise, especially as it comes across in sound broadcasts.

The open question is one which begins: "Will the Prime Minister list her official engagements for the day?" Members are then free to ask practically any question they like, if called by the Speaker.

A substantive question, by contrast, might be: "Will the Prime Minister say what items she intends to discuss with President Reagan at the economic summit in May?" After a brief reply, Members may ask follow-up questions.

There used to be a kind of question, now out of fashion, like: "Will the Prime Minister say when she next intends to visit Glasgow?" It indicated that a follow-up was coming on some local matter, though even that was open to abuse. For instance, a Member might stand up and say: "On her way to Glasgow would the Prime Minister care to stop off at Peterborough?"

Nowadays, however, the open question is all the rage. As Mr James Lamond, the Labour MP for Oldham East pointed out, 57 of the 63 questions put down down to the Prime Minister last Thursday were open. There is also the point that since questions have to be tabled two weeks in advance, substantive questions may not always remain topical.

Still the Speaker thought that the business had gone too far and called his conference to discuss the matter. His views were decisively rejected especially by the two main parties, both of which were acting on the advice of their leaders. The result is that the open question has now been established officially as the norm rather than the exception.

To be fair, no complaint about the open question ever came from Mrs Thatcher and she has almost never referred a question to another Minister. She takes almost everything in her stride.

But that in a way shows the bias of Prime Minister's Question Time. The Prime Minister of the day is exceptionally well briefed, having access to all Departments, and always has the last word. It was the same when Mr Callaghan was in office. It is very difficult for the Opposition to win.

The only time when Mrs Thatcher is rattled is when she is asked about a decision which she has made against her heart.

Mr Speaker Thomas: his views were rejected

That happened on January 27 when Mr Stan Newens, the Labour MP for Harlow, suddenly raised the matter of British involvement in loans to Argentina. The Prime Minister plainly didn't like the decision and immediately became flustered. She was eventually rescued by a Tory MP who managed to change the subject, but it had been a difficult few minutes. The Opposition could learn a lot from that experience.

Other matters relating to the conduct of parliamentary business are still under discussion. One is the backbenchers' complaint about the precedence given to privy councillors, who tend to be called first.

The real problem here is that there are too many of them. In the old days, the general custom was that MPs became privy councillors only if they belonged to the Cabinet. Moreover, after their stint in office they often moved on to the Lords. Nowadays, however, they tend to stay in the Commons and quite a lot of junior Ministers are made privy councillors almost as an extension of the Honours List or compensation for not having Cabinet rank.

Yet, if you look closely, it may be seen that change is taking place even here. The most conspicuous offender used to be Mr David Ennals, the former Labour Minister, who expected to be called on almost any subject under the sun, much to the House's annoyance. Mr Ennals is now called less often than he was.

Sir Julian Amery, on the Conservative side, is now called less often, too. The same fate could even overtake Mr Enoch Powell if he continues to show signs of losing his magician's spell over the House, as he has in the last few months. The Speaker can, of course, have a word with any of these Members in private.

The other reform which has gone through quietly and informally is that Members now make *shorter* speeches. It reduces the oratory—there is a school of thought that a real orator needs five minutes just to give his name and address. But at least it means that more Members get in.

The reform unlikely to be easily accomplished is the adaptation of the House to a three-party system. That is at the heart of the present noise problem. The Social Democrats *have no proper place to sit.* Labour Members try to crowd them out and shout them down. The Tories are not above the shouting bit either, especially when Mr Roy Jenkins is called.

The Speaker seems to try to compensate by continuing to regard the Alliance as two separate parties, so that between them the Liberals and the SDP get a fair share of parliamentary time. But the basic difficulty remains: the House was designed for a confrontation between two parties sitting opposite each other. There would be no problem if the semicircular seating pattern of the West German Parliament were adopted. But it would be much less lively.

Anyway, perhaps the Speaker protests too much. Plainly he does not like to receive letters complaining about the bear garden or asking "what does it feel like to be head of St Trinian's?" and is now advising people to write directly to their MPs. But there are two points to be made in excuse.

The noise does not seem to be getting any worse and it is surely better to have (say) Mr Dennis Skinner in the House than outside it. Secondly the noise sounds much worse on radio than it does when you are there. Even at its fullest and rowdiest, the House of Commons very rarely looks as if it is even remotely out of control.

One answer might be to re-examine the acoustics, which are not sensational even at the best of times. Another must be to raise again the question of televising Parliament.

The First Report from the Liaison Committee on the workings of the Select Committee System* noted the other day: "We must place on record the conviction of most of us that the work of select committees would not be damaged, and might be considerably enhanced, if it took place with television cameras present."

That committee was not competent to make recommendations on the televising of Parliament as a whole, but it does in its way speak for the more than 300 Members currently engaged in select committee work. If that is how they feel, it must again be time to seek the opinion of the whole House. Certainly by now there are enough television channels and enough television time available. "Yesterday in Parliament" would be an ideal breakfast show.

* * *

Finally, a word about Mr Thomas. He has been, by general agreement, an outstanding Speaker and needs no further praise. He is not standing at the next election and would probably like to go before. But there is no agreement on his successor and he has been under great pressure from both main parties to stay.

It seems to me that it would be wise to settle the succession soon. The new Speaker could then stand more or less unopposed at the election. If that does not happen, there is a danger that the new Parliament—which may very well be hung—will be without a Speaker and may find it much more difficult than now to agree on an appointment. It is partly thanks to the present Speaker that the House of Commons today is as civilised as it is.

* *Stationery Office, £7.10.*

Lombard

Social return on overseas flows

By John Plender

ARE BRITISH institutional investors becoming socially conscious without realising it? That rather implausible question is prompted by a simple but revealing chart produced at a Financial Times pensions conference this week by Mr Dugald Eadie of brokers Wood Mackenzie.

Following a pungent speech by TUC general secretary Mr Len Murray, in which the pension funds' penchant for overseas investment was singled out for attack, Mr Eadie proceeded to demonstrate that the return on the pension funds' investment in overseas securities since the abolition of exchange controls had been significantly less than that on British equities.

In the narrow sense this could simply be taken to mean that the fund managers got it wrong. And Mr Murray might well use it to support his contention that institutional investors are far too depressed about prospects in British industry. But the great financial exodus could, with the benefit of hindsight, be said to fit very neatly the description of intelligent social investment.

Here, after all, were the institutions investing at well below the return available on common or garden British ordinary shares. And the wider effect of their actions was socially beneficial because of the effect on sterling.

At a time of high unemployment, overseas investment may sound unpatriotic; but it nevertheless represents a coherent strategy to cope with a current account surplus on the balance of payments which topped £6bn in 1981 and £4.6bn in 1982.

Those surpluses have to be compensated for on the capital side of the account if the overall balance of payments is to balance—the arithmetic must always add up to zero. The only real question is whether the authorities off-set current account surpluses by building up the reserves, or leave the private sector to do the job instead through direct and portfolio investment overseas.

For Labour and the TUC to complain about the outflow when it believes sterling to be overvalued is, in fact, perverse. Without it the pound would rise even further, so intensifying the squeeze on domestic profits and jobs.

A more credible criticism for Labour to make would be that the Government's policy of privatising the reserves (which is a convenient way of looking at it) has caused it to lose control of the capital outflow.

Pension funds may unconsciously have behaved in a 'socially responsible' way while the current account has been in surplus; but there is no guarantee that they will be similarly public spirited if the current account moves back into deficit. They may not repatriate funds at a convenient moment for the Government. Indeed if, as seems likely, the portfolio outflow continues regardless, it may well contribute to a downward sterling overshoot far beyond what shadow Chancellor Mr Peter Shore might wish to see.

Part of the purpose of removing exchange controls in 1979 was to equalise returns on capital by giving British investors a free choice of investments around the globe. At the same time it was hoped that the portfolio outflow would help mitigate the damage in the manufacturing sector while North Sea oil put temporary upward pressure on sterling. Yet it remains to be seen what financial return the investment outflow will bring.

When I put it to pension fund managers at the FT conference that poor short-term financial returns in overseas equities had nonetheless produced a wider social dividend, most looked bemused. Perhaps understandably so. Taking credit for this paradoxical outcome may be tempting—but it would make it harder to fight off Mr Murray's challenge for more social investment next time.

Letters to the Editor

Mobile telephone systems and future markets

From Mr D. Smith

Sir,—In discussing the UK cellular radio position Jason Crisp (February 8) makes some assumptions which are without realistic foundation.

Let it be clearly understood that in deciding to adopt the 890-960 mHz band with 25 kHz separation between channels, and 1,000 channels potential, the UK and France have conformed to the new standard agreed by the European PTTs for future mobile telephone systems. There does not exist anywhere in the world, however, a working system which uses this band. It follows, therefore, that any apparently proven system must be re-developed to meet the European standard. This would take time and it is very unlikely that the necessary development and testing of both the infrastructure and the subscriber units could be completed in time for production to start by January 1985. As he says "Cellular radio systems take a long time to develop and involve a lot of complicated software."

The U.S. currently represents 50 per cent of the world market for mobile radio systems. There is reason to believe that it may represent an even greater percentage for cellular mobile telephones and it is this fact that seems to have caused so much excitement amongst British manufacturers. But who really believes that in this decade British industry with its cost structure can manufacture and sell into the U.S. a consumer product (for that is what it will be), against the intense competition of the Japanese and Americans themselves with the tariff barriers that are likely to be erected against us? On the contrary, if the UK adopts AMPS it is we who shall become the export market for the U.S. and Japan. Our market will be flooded by imports with which we cannot compete and it is unlikely to be our present Government's policy to erect tariff barriers. Furthermore, failure to adopt a European system would inevitably mean that future developments in cellular radio would be American-based and, as with the aircraft and other industries, we end up by being an exporter of our expertise only.

D. A. D. Smith.
Philips Mobile Radio
Management Group,
Meadowcraft,
Church Street,
Chesterton,
Cambridge.

Channel 4 and the levy

From Mr R. Pearce

Sir, — Chris Dunkley says (February 2) that the Treasury levy on ITV profits which was £57m in 1982 is likely to fall to less than £10m in 1983 as ITV profits disappear thanks to Channel 4. Does this mean that the Treasury had budgeted for this income in 1983 and is likely to try and recover the shortfall of some £47m from the taxpayer? If so then Channel 4 should either become ITV2 very soon or be scrapped altogether.

I compare this to a drama group which as long as it puts on Agatha Christie and Noel Coward will at least break even but try and put on one or two more modern or way out plays and the audience stays away. If the taxpayer is footing the bill then Channel 4 must do the same.

R. J. Pearce.
5 Marlborough Road,
Castle Bromwich, Birmingham.

Measuring the cost of drugs

From Mr C. Fell

Sir,—Were it as you state in your leader (February 7) that ". . . the price of health service pharmaceuticals . . . has risen appreciably less than the rate of inflation" then all would be for the best in the best of all possible worlds.

The rate of inflation in the drugs the public uses as measured by the average nett ingredient cost of a National Health prescription (calculated monthly by the Department of Health and Social Security) has for many years been about double the rate of increase in the retail price index.

The confusion arises because the only index of drug prices published by Government statistical services is a base-weighted index of the output of the pharmaceutical industry, and is, to quote the head of the central statistical office, ". . . inappropriate as a means for measuring changes in the average price of pharmaceuticals used in the UK . . . the average net prescription ingredient cost index does, effectively, adjust the composition of the 'basket' continuously and so serves the latter purpose better."

Suggestions made over the years to the DHSS and CSO that an official index of prescription prices should be published—in the interests of an informed public opinion—have always been rejected.

Estimates of potential savings of £30m-£50m on the drug bill are based on existing generic/patent drug usage patterns and take *no account*, seemingly, of the fundamental change in the market which could arise were generic substitution of patent-expired drugs to be permitted. In the U.S. where generic substitution has been encouraged for some years the cost of prescribed drugs is now rising less than the general rate of inflation.

C. J. Fell.
Crown House,
Newport,
Essex.

Usually reliable sources

From the Chairman,
British Legal Association

Sir,—Mrs Thatcher's Government appears determined to win the race against time with the late George Orwell.

The Lord Chancellor's Department is maintaining, or is to maintain, computer records on lawyers who may have the potential for all and even the most minor of judicial appointments, but these records are *not to* be open to inspection by lawyers. That secrecy is defended on the footing that, necessarily, the information to be derived about them will, not to put too fine a point on it, come from gossip within the profession. One wonders why the task is not delegated to the Metropolitan Police. Similar records were kept, of recent years, by police in an Australian state until judges discovered that they were included thereon and matters were brought to an abrupt halt.

In the circumstances I have no means of knowing (a) whether I am included on these records or (b) whether any information recorded is accurate. When this association was recently interviewing candidates for the post of administrative secretary, it learned that some of the interviewees had learned, from apparently reliable sources, that the BLA was (i) very left-wing, (ii) neo-fascist, (iii) well right of centre. As a member of the Association of Liberal Lawyers I wonder how, during nearly four years as chairman of BLA, I could have been so blind. How does the Lord Chancellor regard me? As an anarchist?

Stanley Best,
British Legal Association,
116 London Road,
Southborough,
Tunbridge Wells, Kent.

Unrelenting wars

From the General Secretary
Electrical, Electronic,
Telecommunication and
Plumbing Union

Sir,—Readers of John Lloyd's report (February 5) should not take too seriously his view "that the EETPU has waged an *unrelenting and successful war* against the Communist Party" since the evidence would show that it is the Communist Party that, for 23 years, has unrelentingly attacked my union and its elected executive council. Since it also relentlessly attacks any and every one who dares to disbelieve its current piece of dialectic nonsense, that should come as no surprise.

The reason that we defend ourselves successfully is because we consult our members and present alternative policies to the vicious dogma it preaches.

F. J. Chapple.
Hayes Court,
West Common Road,
Bromley, Kent

Nightmare journeys by rail

From the Chairman,
Yorkshire Area, Transport
Users' Consultative Committee.

Sir, — Mr Robert H. Foster (February 2) is on the right lines when he says that unless one is travelling to or from London, many rail journeys are a "nightmare" to plan and undertake.

This is particularly true of Inter-City travel between West Yorkshire and the Midlands, which has got progressively worse over the past year. Here there is also a distinct imbalance in the timetable. For example, the last through train from Leeds to Birmingham is the 15.58, whereas the last through service from Birmingham to Leeds departs at 21.13.

The journey between Leeds and Nottingham now involves changes at Sheffield (city of lost connections!) or Derby, and takes longer than in 1938.

As for the fare structure, it is full of ludicrous anomalies. I cite just one: A first-class day return journey from Leeds to Derby costs £10.50, yet that to Nottingham (4 miles further) costs £19.50. Yet if you book a day return from Leeds to Sheffield (£4.05) and a day return from Sheffield to Nottingham (£6.80) you can save £8.65 on the direct booking from Leeds to Nottingham!

British Rail tells me that this is market pricing. I say it's market humbug!

James Towler.
Record House, Bootham, Yorks.

FINANCIAL TIMES

Friday February 11 1983

David Marsh in Paris looks at the Expol police equipment exhibition

Cashing in on the security business

"UNFORTUNATELY, yes, the market is in full expansion," says M Christian de Moffarts, the Belgian organiser of a rather special industrial exhibition taking place this week in Paris. "Next year's show will be twice as big."

He is talking about security. The Expol police equipment exhibition – said by M de Moffarts to be the first law and order show of its kind in Europe – enables an international selection of 120 specialist companies to demonstrate their bizarre and sometimes spine-chilling collection of wares to potential customers.

Their audience ranges from police chiefs, military forces, intelligence services and diplomatic missions to film stars and executives fearing kidnap attacks.

"Crime is a growth industry," says Mr Loren Goldman, running a stand for the International Association of Chiefs of Police, which advises and trains police forces throughout the world. The association is based in Maryland in the U.S. and is considering setting up in Brussels.

"Unemployment is going up, crime is going up. That follows pretty close," says Mr Per Malmbek, representing Motorola's communications division.

His company is exhibiting a sophisticated range of cigarette carton-sized walkie-talkie radios, scrambling and surveillance devices, and portable, computerised data transmission systems – much used by the West German security services for checking data banks on suspected persons.

Motorola's compact radio systems for relaying written messages on a small electronic screen can be used by brokers on the stock exchange floor as well as by police forces.

High technology is one of the exhibition's keynotes. Visitors have their bags checked by X-ray devices and are submitted to ear-piercing whistles and sirens from demonstration equipment for patrol cars and alarms.

Items on show include CS gas sprays to fit, James Bond-like, in the front and rear wings of cars, laser bugging devices, automatic fingerprint processing kits, electronic telephone tapping detectors and high-resolution telescopes.

An historic counter-point is provided for by Mr Joe Bowman, a 57-year-old from Houston dressed in a cowboy outfit, sporting spurs and six-shooters and offering cracks hot self-defence instructions.

Mr Bowman, who took up the art of shooting at the age of six and admits to being inspired by Roy Rogers and the Lone Ranger, says: "There's always a place for the Wild West – even in the electronic age."

The man at the Israel Military Industries stand, one of several representatives from Israel, shows off sniper rifles, combat-tested in the recent Lebanese fighting – "a strong sales point."

Although sales to Europe have sometimes been hampered by the fear of damaging arms links with the Arab world, he says several important European governments have bought the rifles. The main markets are in Latin America – Venezuela, for instance – while he also hints at business with South Africa.

Latin America and the Middle East are also prime markets for the radar surveillance systems exhibited by the French Thomson-CSF group. Costing FFr 1.7m ($246,600) apiece, they can be used by armies to detect, localise and identify all moving objects or persons in a 30 km radius.

Thirteen countries use the equipment, with a total of 400 ordered, including some by the French army, and 260 in service.

Exports are also big business for the Dutch BVDA company, which makes fingerprint equipment for the police and military and has doubled sales to about DFl 4m ($1.5m) in the past 10 years.

It exports to 45 countries and has had particular success in the Eastern bloc. Rather ghoulishly, the company's stand also sports as post-mortem kit.

Another exporter – British this time, based in Wiltshire – is Security Equipment Supplies, which has expanded business threefold or fourfold in the past two years, with 95 per cent sold abroad.

It sells diverse items like bomb blankets, explosive detectors and riot control equipment, as well as weapons, of course. The Middle East and Far East are prime markets – export licences for this type of sale to Latin America are difficult to come by in Britain, the company's representative said.

Selective International Sales, a Belgian company making high quality bullet-proof vests, has also shown fast growth, Mr Frank Diepers, a director, says business has been built up from practically nothing during the past 18 months.

He claims to have sold $500,000 worth of vests, made of 4mm thick rubber with two special fabric inserts, in the past two weeks. "We've won all the big orders on the market lately, although we don't make too much noise about it."

Most contracts are from governments – one country recently ordered vests for its embassies around the world – although sometimes individual policemen or soldiers buy them for extra safety.

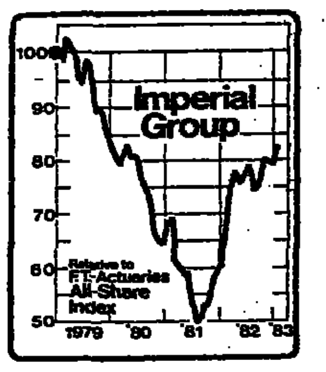
Mr Martin Tee, from the Antwerp-based Professionals company, which teams up with SIS to provide equipment like bullet-proof cars, dwells unpleasantly on the impact a bullet can have on internal organs – called "trauma" in the jargon – if the victim is merely wearing a standard bullet-proof vest rather than the $250-a-time SIS brand.

Mr Diepers' company also makes medical equipment, including hospital slippers, from which the material for the vests is derived. Customers can insist on testing the vests on Mr Diepers himself, who has taken out a $1m insurance policy.

THE LEX COLUMN

No extra coupons from Imperial

Gilt-edged took up the running yesterday as profits were taken on recent gains in the equity market. The whiff of easier money in the U.S., together with a more solid sterling exchange rate, have restored a measure of confidence to fixed-interest. But the equity party is not over yet. Unsuccessful punters in ABP should have their money back just in time to pile into next week's star attraction – Superdrug.



Imperial Group

Imperial Group confirmed its profits recovery yesterday, but sensibly refused to celebrate the event with the expected dividend increase. The reconstructed board is busy living down a legacy of over-distribution and will be happy enough to take on the chin yesterday's 6p drop in the share price to 124p. At that level, the yield is 8.7 per cent – which should satisfy most income funds.

Dividend cover has risen from 1.7 to 2.2 times on a historic cost basis after stated tax and there is full current cost cover. But last year embraced some exceptional reorganisation activity, as the food division in particular shed its dud performers. All these companies departed at a hefty book loss, leaving extraordinary charges, after additional provisions for regrouping in the tobacco division, at £66.8m – enough to chip away all retentions. Even so, the dividend payment required a small transfer from reserves.

The greater emphasis on trading efficiency has borne fruit with a 46 per cent increase in pre-tax profits to £154.3m for the year to October. The ruthless pruning of the poultry business was reflected in a boost in trading profits from £7.5m to £32.3m, but there was also an underlying 12 per cent upswing in the retained food activities.

The biggest improvement, however, came from Imperial's core tobacco interests, where the group's decision to sacrifice market share – down 3 per cent to 46 per cent – in order to push up prices and margins was reflected in a 22 per cent trading profit increase. Declining volume in the Courage breweries, down about 3 per cent in line with the industry, was offset by better returns from the take-home trade and the catering activities.

In the current year, the main worry remains the Howard Johnson hotel and restaurant division in the U.S. After a 24 per cent drop in profits last year, the company is still struggling with the recession. The group seems confident that it now has the U.S. problem in hand, and there is still potential for productivity-based margin improvement in UK tobacco.

With £40m cash from the divestments already flowing in, interest charges will be kept in check, and profits for the year could emerge at around £175m. At the same time, the balance sheet is strong enough to permit a new spate of acquisitions once the new corporate plan is worked out – perhaps a sufficient worry to keep the shares under some suspicion given the group's past record.

Lonrho

Falling commodity prices were always going to put Lonrho's 1982 profits under pressure, and the company blames them for most of the fall in pu blished pre-tax profits from £111.6m to £75.1m. Mining earnings are down from £40m to £18m, while £10m of sugar profits has been more or less wiped out. Lonrho's hearty appetite for debt is a self-imposed wound, with net interest payments rising some £16m to £74m.

The profits decline would have loo ked worse but for an accounting change designed to provide a "more meaningful" reflection of trading performance. The switch from closing to average exchange rates has depressed 1981 profits by £9m and is likely to have inflated the 1982 figure, though the extent has not been quantified.

Lonrho's past criticism of the House of Fraser for not raising its dividend is presumably the explanation for the subtle approach adopted in cutting its own pay-out. The 1p on account for 1981 makes the precise year of reduction debatable; but shareholders will not take long to work out that a 10p total in 1980 has been mysteriously transformed into 9p for 1982. The pressures leading to the cut are evident. After the customary extraordinary debits, earnings emerge at a mere £9.2m, while the dividend absorbs £23.7m.

Shareholders' funds show few scars, however. A timely revaluation of hotel and property assets has been worth about £80m. Net debt has risen even faster, up from £429m to £580m, including confirming loans, emerging at 108 per cent of shareholders' funds, compared with 88 per cent a year ago. Small wonder that the company is now talking of calling a halt to its capital expenditure and investment programme, and looking to make disposals. Metal prices may now be galloping to the rescue, but the share price fell 6p yesterday to 88p, where the yield is 15½ per cent.

Toys

The British toy industry seems to have no defence against the invading armies of foreign gadgetry. Consumer spending during the Christmas period was more buoyant than manufacturers could reasonably have expected and the industry should currently be financing only a very modest level of stock.

Yet Berwick Timpo announced yesterday that it was following the well-trodden path to the receivers and Mettoy launched an emergency rights issue at par to rescue a balance-sheet in which debt comfortably outweighs shareholders' funds.

Traditional toymakers failed to participate in the Christmas spending boom, which centred on white goods and electronics, while the increasing bunching of orders towards the latter part of the year has made it impossible to recover overheads in the early months. Berwick was already running £400,000 shy of its forecast of a 1982 loss of £1.3m when an additional £600,000 shortfall suddenly emerged from a subsidiary. By the time the bankers walked in on Wednesday, reported net worth of around £1m was supporting £2.5m of debt. The company has been operating in a very depressed market, but after the equally sudden appearance of prior year losses in 1981, it is hard not also to fault management controls.

UK urges change in U.S. export controls

By Paul Cheeseright, World Trade Editor, in London

THE UK Government is launching an intense but quiet campaign to foster changes in the U.S. system of using export controls as a foreign policy tool.

It wants an end to controls that seek to impose regulations on the conduct of companies domiciled outside the U.S. under pain of penalties if the regulations are not observed.

The UK is seeking to pull together an EEC approach. Its position is broadly the same as those of France, West Germany and Italy, all of which were affected by the pipeline dispute.

But formal British representation to the U.S. Government on the exact nature of the changes it is seeking to the Export Administration Act 1979 is under preparation. Mr Peter Rees, the Minister for Trade, will raise the matter in Washington at the end of next month.

Count Otto Lambsdorff, the West German Economics Minister, is expected also to press the advisability of changes to the Act in Washington this week.

Mrs Margaret Thatcher, the British Prime Minister, is understood to have told Vice-President George Bush on Wednesday during a London meeting that attempts by the U.S. to use its law for the control of British-registered companies, even if they have an American parent, is unacceptable. The law itself should be changed.

The Export Administration Act 1979, expires on September 30. The Act provides authority for the U.S. Government to control exports for foreign policy reasons.

But its accompanying regulations extend the controls to the overseas subsidiaries of U.S. companies. They also cover the re-export of U.S. equipment to countries on which the U.S. has placed trade embargoes. The Act covers technology sales.

Use of the Act last year by the Reagan Administration caused bitter dispute in Nato. The U.S. sought to stop the sale by European manufacturers of equipment, based on U.S. technology, to the Soviet Union for the Siberia-West Europe gas pipeline.

The British campaign is directed towards revision of the Act when it emerges in a new form during the autumn.

It reflects persistent concern about the propensity of the U.S. to extend the stretch of its law outside its borders: the issue of extraterritoriality.

Background, Page 4

IMF and OECD see strong British current account surplus

BY MAX WILKINSON AND ROBIN PAULEY IN LONDON

BOTH the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) have forecast another year of substantial surplus for the UK current account in 1983.

This contrasts strongly with the Treasury's last published forecast – now believed to have been sharply revised – that the surplus would vanish this year.

The Treasury's forecast in November is thought to have been a main reason for the 11 per cent decline in the foreign exchange value of sterling since its publication.

The IMF yesterday forecast a UK surplus of $4bn (£2.6bn) in 1983. This is a decline of £2bn from the actual 1982 surplus, and helps to explain why the unpublished IMF forecast, presented as background material for this week's meeting of the IMF interim committee, is for only 1 per cent growth this year.

The OECD forecast, calculated on the basis of latest 1982 exchange rates, is for a slightly stronger performance at home and overseas, although Britain's competitive position is still seen as too weak to allow any strong recovery, even if world trade grows quite strongly.

Growth is put at 1½ per cent, and the deterioration in the current account at ½ per cent of GDP – about £1bn, against the IMF projection of a £2bn decline.

Fund officials have been told that the British Treasury has meanwhile revised its own forecasts, in the light of the unexpectedly strong current account in the last quarter of 1982 and the improvement in competitiveness.

Its next forecast, which will appear with the Budget on March 15, could show real growth of 2 per cent and a substantial current account surplus.

The main points of the forecast to mid-1984 include:

- Unemployment continuing to rise to 14½ per cent of the workforce
- Inflation sticking at about 6¼ per cent in 1983 and 6 per cent in 1984
- A further loss of Britain's share of export markets
- Worsening current account balance of payments
- No recovery at all in productive investment or exports between now and mid-1984

OECD report, Page 6

Bishops reject unilateral arms ban

By John Hunt in London

THE RECOMMENDATION of the Church of England working party that Britain should adopt a policy of unilateral nuclear disarmament was *overwhelmingly rejected* yesterday at a meeting of the General Synod, the governing body of the Anglican Church.

The decision will be very welcome to Mrs Margaret Thatcher, the Prime Minister. The British Government is conducting a large-scale campaign in the run-up to the *general election to persuade the* public that its policy of continued efforts towards multilateral disarmament is the right one.

Had the vote gone the other way, it would have been a grave embarrassment to the Government at a time when the Campaign for Nuclear Disarmament is applying *heavy pressure for Britain to take* the lead in renouncing nuclear weapons.

But there was an unpleasant sting in the tail for the Government towards the end of the long debate.

By a majority of 53 (275–222) the Synod approved an amendment from the Rt Rev Hugh Montefiore, Bishop of Birmingham, calling on all countries and Nato to foreswear the first use of nuclear weapons in any form.

The Nato position, endorsed by Mrs Thatcher, is that it would not start an attack with nuclear weapons but it could not renounce first use of them if it was essential to repel an aggressor.

The amendment, which relates to battlefield nuclear weapons, says their use could never be morally justified because of the risk of escalation to full-scale nuclear war.

Mrs Thatcher can, however, take comfort from the main vote of the day which was on an amendment from the Rt Rev John Baker, Bishop of Salisbury, chairman of the working party which came out in favour of unilateralism.

His amendment calling on the Government to adopt a phased policy of unilateralism was rejected by a majority of 228 (338–100). A large number of the 53 bishops were present but no more than six voted in support of the unilateralist case.

EEC threatens to end farm talks with U.S.

Continued from Page 1

the sale of U.S. wheat flour to Egypt, which has effectively robbed the Community of one of its largest purchasers of wheat flour.

Commission officials were outraged about the timing of the U.S. sale and about the price given to *the Egyptians – $155 per tonne* or $25 per tonne below current world levels.

Officials believe that the world price will be pulled down by the U.S. sale and that the consequent costs of subsidising the EEC's own wheat flour exports would be substantial.

The two sides are committed to try to reach an understanding which would reconcile the Community's need to continue subsidising the export of its farm surplus with the U.S. desire to expand its farm exports at prices which are not depressed by the EEC's subsidy policy.

The U.S. agricultural sales drive aimed at *selling off* subsidised stocks at only marginal cost to the Federal Government has now, according to U.S. Treasury officials, exhausted current aid funds available for subsidising such sales.

In addition to deals with the six countries that the EEC considers its *own export preserves, the U.S. is* negotiating blended credit sales to Brazil, the Philippines and Mexico, with the latest deal for Mexico alone worth some $600m.

The planned U.S. deals with the EEC's traditional customers dwarf the controversial $117m sale last month of subsidised U.S. wheat *flour to Egypt, and it is reported* that the U.S. is now planning a follow-up sale to Egypt of 25,000 tonnes of butter.

The only concrete result to emerge from yesterday's talks – the second round of high level negotiations begun in Washington last month – was agreement to produce a joint report.

Cut in oil prices 'inevitable'

Continued from Page 1

ing of oil ministers from the Gulf countries was that they were already busy discounting. Kuwait has several times denied reports that it has sold oil at a discount to Japanese companies.

Sheikh Yamani claimed yesterday that the price of North Sea oil had in fact already fallen, "but it is not yet official."

Plans for a reduction in North Sea prices are being frustrated by industry disagreements over tactics and differentials which are charged for various types of crude. It now seems unlikely that the UK state-owned British National Oil Corporation, the main trader of North Sea oil, will be in a position to recommend a new base price before early next week.

Within the industry it is thought that UK *contract prices will fall* from $33.50 to about $30 a barrel – more than $1 above the present spot market rates – but BNOC has still to decide whether or not to recommend a single or phased reduction. If it opts for the second route, prices could fall by between $2 and $2.50 backdated to February 1 and by a further $1 to $1.50 in a few weeks when Opec's position has become clearer.

It is known, however, that a number of companies are anxious to use the present price adjustment to realign the differentials charged

It is understood that some buyers have told BNOC that the price of oil loaded into tankers rather than pipelines – crudes produced from such fields as Beryl, Fulmar, and Montrose – should be reduced.

Japan export talks stall

Continued from Page 1

demanded withdrawal of anti-dumping charges against VTR manufacturers and cancellation of French measures requiring all VTR imports to be cleared through the central French customs post of Poitiers.

The EEC Commission lacks the authority to take either of these steps but has been hoping to play the role of go-between. Withdrawal of the anti-dumping charges against Japanese exporters would have to be agreed by Philips of the Netherlands and Grundig of West Germany, which brought the actions aganist Japanese VTR imports late last year.

Before yesterday's impasse, there had been signs from the Japanese side of a willingness to consider voluntary restraint on the exports, specifically of certain machine tools and TV tubes.

EEC and Japanese negotiators will meet today in joint session with Canadian and U.S. trade officials, including Mr Bill Brock, the special U.S. trade representative, to discuss general economic matters.

HK monument to money

Continued from Page 1

HK$2bn ($303m) mark, and nosing towards HK$3bn.

So, say HK$4bn – as a highly unofficial guesstimate – for the physical building, at projected 1985 completion prices. Allocate a notional financing charge, and the expense of temporary relocating after demolition of the old building in 1981. Imagine a value for the ancient and peerless Hongkong Bank site (Bank Street, Hong Kong), said by experts in Fung Shui – Chinese geomancy – to be the most favourable in the colony, and juggle with an all-in value, or price, somewhere north of HK$6bn ($909m).

It is the vaguest of guesstimates, but it has captured the popular imagination of Hong Kong. It works out to almost HK$3 per bank share, or three times the bank's 1981 declared profits. The best does not come cheap.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	9	48	Dubrovnik	C	14	57	Malaga	S	10	50	Salzburg	C	0	32
Akrotiri	S	16	61	Faro	S	12	54	Malta	F	17	63	Seoul	F	0	32
Algiers	R	7	45	Florence	R	3	37	Manila	S	32	90	Singapore	S	32	90
Amsterdam	C	-3	27	Frankfurt	C	-1	30	Miami	C	22	72	Stockholm	C	-3	27
Athens	S	19	66	Funchal	C	13	55	Milan	R	3	37	Strasbourg	C	0	32
Bahrain	S	19	66	Geneva	C	0	32	Moscow	F	-8	18	Sydney	R	28	82
Bangkok	S	32	90	Gibraltar	S	11	52	Munich	Sn	-1	30	Taipei	R	18	64
Barcelona	C	3	39	Guernsey	F	3	37	Nairobi	F	29	84	Tangier	S	11	52
Beirut	S	16	61	Helsinki	C	-4	25	Naples	F	12	54	Tehran	–	—	—
Belgrade	Fg	6	43	H Kong	R	15	59	New Delhi	C	20	68	Tel Aviv	S	17	63
Berlin	Sn	-3	27	Innsbruck	F	-2	28	New York	F	1	34	Tenerife	F	17	63
Biarritz	F	2	36	Inverness	F	-1	30	Nice	F	4	39	Tokyo	F	10	50
Blackpool	C	3	37	Istanbul	S	17	63	Oporto	F	7	45	Toronto	F	-9	16
Bordeaux	S	1	34	Jersey	C	2	36	Oslo	C	-9	16	Tunis	C	14	57
Brussels	C	-2	28	Jo'burg	S	26	79	Paris	C	-2	28	Valencia	S	8	46
Budapest	C	1	34	Las Palmas	F	17	63	Prague	C	-3	27	Venice	R	3	37
B. Aires	S	38	100	Lima	S	29	84	Reykjavik	C	-2	28	Vienna	C	1	34
Cairo	S	19	66	Lisbon	S	9	48	Rio de J'o	R	32	90	Warsaw	Fg	1	34
Cape Town	S	22	72	Locarno	C	2	36	Rome	R	3	37	Zurich	C	-1	30
Caracas	S	28	82	London	C	2	36								
Casablanca	C	9	48	Los Angeles	C	22	72								
Copenhagen	C	3	37	Luxembourg	Sn	-3	27								
Corfu	S	18	64	Madrid	F	3	37								
Dublin	C	3	37	Majorca	F	8	46								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Snow Report

EUROPE

Arosa (Sw)	100–180 cm	*Skiing powder on good base*
Avoriaz (Fr)	92–197 cm	Powder on some off piste runs
Cervinia (It)	80–200 cm	Good snow on hard base
Crans Montana (Sw)	80–140 cm	Good skiing on all pistes
Davos (Sw)	120–210 cm	Good skiing on all slopes
Grindelwald (Sw)	50–150 cm	Good powder, good cloud
Klosters (Sw)	90–210 cm	Powder not yet skied out
Muerren (Sw)	110–220 cm	Very good snow everywhere
Sauze D'Oulx	5– 95 cm	Good skiing on upper slopes
St. Moritz (Sw)	80–160 cm	Wonderful skiing everywhere
Val D'Isere (Fr)	140–180 cm	Skiing everywhere good
Villars (Sw)	140–200 cm	Piste conditions excellent
Wengen (Sw)	75–180 cm	Uppersnowshowersandfairspells

Figures indicate base at lower and top stations

European reports from Ski Club of Great Britain representatives.

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Cii Honeywell Bull to take control of information group

BY DAVID MARSH IN PARIS

CII HONEYWELL Bull, the French state computer group, is expected soon to take control of Transac Alcatel, the specialised information subsidiary of telecommunications company CIT Alcatel, as part of the Government's plans to restructure the office equipment industry.

The agreement between the two companies is planned to be signed soon, although price details have not yet been fixed.

The deal is one of the key components in a series of complex moves to strengthen the French electronics sector against the might of U.S. and Japanese competition.

CIT Alcatel has been negotiating for some months with Olivetti – in which the French state holds an important stake, primarily through the nationalised Saint Gobain group – about a possible link-up in electronic typewriters.

As part of the Transac transfer, the telecommunications group plans to sign a cooperation accord with Cii-Honeywell Bull over collaboration in the office equipment sector.

CIT Alcatel believes that the two companies share much common ground in the fast-expanding "automated office" area. Executives develop the theory that CIT Alcatel approaches the sector from the telecommunications standpoint while Cii-HB looks at it from the computer point of view. There is a similar "complementariness," they say, in the two companies' approaches to office systems as those followed by AT & T and IBM in the U.S.

Transac has a turnover of about FFr 500m ($72.5m) with subsidiaries in Belgium and West Germany. Its activities include commercial data transfer and information systems and automatic banking machines such as bank-note distributors.

Cii-HB is one of the prime beneficiaries of the package of government funds for nationalised industry announced on Wednesday. It received FFr 1.5bn this year in capital injections.

With an equity capital previously of FFr 860m – dwarfed by estimated losses of around FFr 1.3bn last year and FFr 5.5bn of debt – it is one of the most seriously under-capitalised companies in French industry.

Cii-HB already announced a major restructuring of its activities at the end of last year, setting up four main operating subsidiaries in data processing, peripherals, mini-computers and office automation.

The takeover of Transac will add considerably to the office automation division, which also includes micro-computers and terminals.

In another transfer between state companies, the computer group took over at the end of last year from the Thomson conglomerate the SEMS minicomputer company, confirming the importance being given to Cii-HB as the Government's main "pole" lin the information sector.

● Bouygues, the French construction company, has announced consolidated net group profits of around FFr 285m for 1982, compared with FFr 218m in 1981.

The profits, slightly above the expected figure of FFr 260m announced last autumn, were made on turnover of FFr 13.8bn, up 31 per cent on 1981.

Setback for U.S. oil service group

By Paul Betts in New York

SCHLUMBERGER, the large oil services and precision instruments company, reported yesterday a 13 per cent decline in its fourth quarter 1982 earnings to $311m from $359m in the same period the previous year.

But earnings for the full year rose by 6 per cent to $1.35bn from $1.27bn in 1981.

Schlumberger's revenues declined by 7 per cent from last year's fourth quarter to $1.51bn but increased by 5 per cent to $6.28bn for the whole year compared with 1981.

Mr Jean Riboud, company chairman, said 1982 performance was "reasonably good" considering two major factors had a depressing impact on Schlumberger business.

One was the year-long recession in North American oil well drilling. This was compounded by a softening of oil field activity, the company said, which was evident first in South America and later last year in Africa and Europe. Revenues from this part of the company's business increased by 7 per cent to $4.06bn last year compared with 1981.

The other factor depressing company performance was the recession in the U.S. and Western Europe which affected the results of all Schlumberger measurement, control and components operations, especially those of Fairchild Camera.

Getty loses interest in Norway's oil

By Fay Gjester in Oslo

GETTY OIL of the U.S. has announced that it is no longer interested in oil and gas exploration on Norway's continental shelf. Exploration on the one block where the company has a licence stake has failed to find hydrocarbons in commercial amounts, and Getty says Norwegian tax and concession rules are so tough that "there are more attractive opportunities elsewhere."

It will fulfil well programme obligations on block 35/8, where it has a 20 per cent stake, but will not apply for new areas in future licensing rounds. Its Bergen office with a staff of eight, will be closed, but it will retain a representative in Oslo.

Sources here point out that tax and concession terms in Norway have not changed since last year, when Getty was among the unsuccessful bidders for stakes in new licences offered in the Traena Bank area, north of the 62nd parallel. Other factors – possibly falling oil prices – must have influenced its decision.

LUXEMBOURG'S FEARS OVER BANCO AMBROSIANO AFFAIR PROVE GROUNDLESS

Grand Duchy's assets continue to rise

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, RECENTLY IN LUXEMBOURG

MIR WOELLE bleiwe wat mir sin – we want to stay the way we are.

This is Luxembourg's national motto and its largely foreign banking community has succeeded in doing just that, despite the trauma surrounding the default of Banco Ambrosiano Holding late last summer.

At the time, the Ambrosiano affair seemed likely to inflict severe damage on Luxembourg's prospects as a banking centre. The authorities refused to stand behind Ambrosiano's debts on the grounds that it was a holding company registered in the Grand Duchy and not a bank. Yet this served only to point up the fact that Luxembourg, which accounts for roughly 10 per cent of total Euro-currency assets, has no central bank that can act as a lender.

"We were afraid at one time that Luxembourg deposits would go to New York or to an old-established financial centre like London – that some of our customers would lose faith," says Mr Constant Franssens, general manager of Kredietbank Luxembourgeoise.

Those fears proved groundless. Total assets of the Luxembourg banking community continued to rise last year. Employment in the banking sector rose by 550 – the largest increase since 1969 – the Grand Duchy is enjoying a quiet boom in banking profits. Senior bankers estimate that operating profits (before tax and provisions) rose by more than 50 per cent last year from LuxFr 37bn ($775m) in 1981.

How was this possible? Depositors quickly realised that the absence of a central bank matters little in a centre where most banks are subsidiaries of giant names based in OECD (Organisation of Economic Co-operation and Development) countries. Under the Basle agreements on banking supervision, the monetary authority of the parent bank would have to assume ultimate responsibility in the case of problems in Luxembourg.

This did not happen in the case of Ambrosiano because of the unusual holding company structure of its operations. As similar holding companies, controlled by other Italian banks, are being wound down parent banks in Italy have been told by the Luxembourg authorities to guarantee the debts of their Luxembourg holding companies.

Luxembourg has always been a banking centre where business concentrated on lending to industrialised countries so it has been less affected than other banking centres by the debt problems of developing countries. As a result, its banks have little difficulty attracting deposits from the interbank market. Luxembourg banks' interbank deposits stood at LuxFr 4.37bn last October compared with LuxFr 3.65bn at the end of 1981.

Profits have risen sharply for several reasons. Margins have increased on international lending, a greater proportion of bank deposits is now coming from private customers – who receive less interest than other banks – and Luxembourg benefited from the boom in the bond markets last year.

These factors should help Luxembourg's 115 banks notch-up even higher profits in 1983, but underlying this are some significant changes stemming more from the generally poor climate in world banking than from the particular problems of Banco Ambrosiano.

Senior bankers in Luxembourg believe that the interbank market, on which Luxembourg banks still rely for about 70 per cent of their funds, is now stagnating. Figures from the Bank for International Settlements showed a worldwide rebound in interbank business during the third quarter of 1982, but the Luxembourg bankers say that fourth-quarter figures will show a stagnation or even a contraction in the wake of the Latin American debt crisis.

Meanwhile the banks are being bolstered by Luxembourg's very generous provisions policy. This allows banks to set aside most of their operating earnings against bad and doubtful debts and reduces their tax liability. Deutsche Bank's Luxembourg subsidiary, for example, declared zero net profit for its latest year to end September 1982 but made provisions of LuxFr 7.2bn.

It may well be argued that these large provisions only add to Luxembourg's reputation for cautious banking and enhance its attraction as a banking centre, yet they also offer banks the added advantage of a gain in operating profits over the short term.

Provisions are, in practice, little more than an interest-free deposit, which can be used to increase a bank's overall interest margin. The question now being asked by many bankers is what will happen when the time comes for them to be unwound.

This will occur in one of two ways. Either the doubtful loans, which have been provided for, will indeed turn sour, and the provision will be used to cover the loss and the opportunity for using it to generate extra profits will disappear; or the doubtful loans will be repaid, and the Grand Duchy's tax authorities will claim massive payments of deferred profits tax (which stands at about 50 per cent).

Some bankers already foresee a big argument over this point in three or four years. For the moment, however, the large operating profits being declared by Luxembourg banks overstate their true earnings capacity, just as the small net profits (after tax and provisions) understate them.

KEY LUXEMBOURG BANKING FIGURES (Lux Fr bn)

	1981 Dec	1982 March	June	Sep	Oct
Total assets	5.08	6.18	6.05	6.07	6.11
Capital* (Fr m)	190	214	223	228	226
Interbank Liabilities	3.65	4.42	4.33	4.34	4.37
Customer deposits	1.01	1.13	1.18	1.24	1.26
Interbank assets	2.55	3.15	3.07	3.09	3.12
Lending to non-banks	1.95	2.31	2.29	2.30	2.32

* includes share capital, borrowed capital, reserves and provisions
Source: Luxembourg Banking Commission

Krupp increases sales despite fall in orders

BY JAMES BUCHAN IN BONN

FRIED. KRUPP, the diversified West German industrial group, started the new year with orders in hand down 5 per cent after a sharp drop in orders booked in 1982.

The group began 1982 on a wave of orders for industrial plant and machinery, but saw orders booked in the course of the year drop 15 per cent to DM 16.2bn ($6.75bn) against DM 19bn in 1981. Caught between weak internal demand and a sharp drop in export business in the second half, Krupp saw orders for industrial plant fall 40 per cent to DM 3.8bn. Foreign orders overall dropped 25 per cent to DM 5.5bn.

Orders fell in all main divisions except trading and services, registering a 7 per cent rise. The result was that 1983 began with orders in hand down 5 per cent to DM 13.7bn.

The 1981 order boom worked through, however, to a hefty increase in revenues in 1982, up 13 per cent over 1981 to DM 16.7bn (excluding intra-group). "Considerable losses" in the steel division, because of the collapse of production in the second half, will influence earnings although the other divisions turned in generally positive results, the group said.

With capacity use at the steel division, Krupp Stahl, as low as 50 per cent by the end of last year, the group is now vigorously pursuing merger possibilities with the steel activities of Thyssen, as part of a larger plan for the restructuring of the badly troubled steel industry.

Krupp also disclosed that its shipbuilding subsidiary, Weser AG, which saw orders booked drop 60 per cent to DM 330m in the course of the year, was also a candidate for merger as a way out of the structural crisis of its industry.

A bitter disappointment was the order intake in the mechanical engineering division, which was down 15 per cent on 1981 at DM 2.3bn. The chief reason was the weakening demand for engines in certain oil-producing countries under the impact of falling earnings from oil exports.

Reynolds expects downturn

By Richard Lambert in New York

R. J. REYNOLDS, the giant U.S. tobacco group, expects that tough economic conditions and the doubling of the federal excise tax on cigarettes may adversely affect its results in the first part of 1983.

But the group is increasing its share of the domestic market – it now claims 33.5 per cent of the U.S. tobacco market – and thinks that its results will improve as the year progresses.

In 1982, Reynolds' sales rose by 12 per cent to $13.1bn and its net earnings were also up by 13 per cent at $834m, or $7.32 per share. The increase stemmed from a $180m arbitration award made by the Government of Kuwait in the second quarter concerning energy properties which had been nationalised in 1977. This award added 86 cents a share to 1982's earnings.

Net earnings in the fourth quarter were marginally lower at $176m. Sales rose by over a fifth in the latest period to $3.8bn, boosted by the acquisition of Heublein in August.

Operating earnings on the tobacco side rose by 6 per cent over the year, and accounted for 73 per cent of the total figure for the group. Unit volume in the U.S. rose by 1 per cent during 1982, thanks in particular to the growth of the Camel, Vantage and More brands, and selling prices were higher.

Atlas Copco earnings plunge by 38%

BY DAVID BROWN IN STOCKHOLM

ATLAS COPCO, the Swedish compressed air and hydraulic machines group, in its preliminary results for 1982 reports an earnings drop of 38 per cent from SKr 570m to SKr 353m ($47m) before extraordinary losses and appropriations, but after exchange losses of SKr 38m.

The company registered a net loss of SKr 23m on the sale of real estate in Sweden and the cost of plant closings in the U.S., Bolivia, Italy, Spain and Sweden. Unspecified appreciation of SKr 64m was added to arrive at the pre-tax profit figure of SKr 394m compared with SKr 542m in 1981.

Group sales rose by 6 per cent to SKr 7.9bn over 1981, but mask a drop in volume of 8 per cent. The company attributes this drop to generally weak activity in its major business sectors worldwide, particularly construction and mining. Volume in Western Europe, which accounts for more than half of group sales, remained constant but dropped in all other markets.

Atlas Copco AB, the parent company, showed a loss after financial income and expenses of SKr 21m. Net profit after appropriations and taxes was SKr 153m.

The rate of return on total capital employed, excluding non-interest-bearing current liabilities, was put at 15.1 per cent compared with 19.8 per cent last year. Earnings per share dropped from SKr 12.95 in 1981 to SKr 7.65 for 1982, and the board will recommend that the dividend remain unchanged at SKr 6 per share.

Group liquid assets at year end grew from SKr 755m to SKr 1.1bn. Investments in plant and equipment were down 14 per cent to SKr 287m. During the year, the board approved a capital increase through a new share issue, which was bought by Volvo to give the motor group a 25 per cent stake

Océ confirms strong return to profitability

By Walter Ellis in Amsterdam

OCE-VAN DER GRINTEN, the Dutch-based reprographics group, confirmed in its 1982 results a strong return to profit, which was signalled every three months last year. Earnings rose Fl 43.3m ($16m) compared with a loss of Fl 7.9m in 1981.

Ozalid UK, the group's British subsidiary, which caused Oce management immense restructuring problems in 1981 and turned profit into loss, is now functioning soundly and contributed a Fl 1m share of company earnings.

Sales overall increased by less than 1 per cent last year, to a value of Fl 1.65bn, but the total is said by the company to have been depressed some 8 per cent by exchange rate losses. Photocopier sales remain the basis of Oce's success. Design engineering activities, centred on dye-line equipment, came under pressure over the 12 months, from the weak investment climate.

Operating profit, at Fl 124m, was 2 per cent up on 1981. Oce points to the effects of the strong guilder here, while observing that falling interest rates helped in the repayments of loans. The year's taxation amounted to Fl 19.3m, against Fl 28.9m in 1981, and this fall contributed to the level of net profit.

Signs of a deepening recession for the Dutch manufacturing industry show up in the results for the 1982 last quarter. Sales were down 3 per cent, to Fl 429m, and the rising guilder made significant inroads into operating profit. Earnings, however, rose by 28 per cent, to Fl 13.4m.

IRI expects record $2bn loss

BY JAMES BUXTON IN ROME

IRI (Istituto per la Ricostruzione Industriale), the Italian state industrial holding company, is expecting to record even bigger losses for 1982 than it forecast only last October. Its debt is now very close to the level of its turnover.

The company, which controls a vast range of interests including steel, cars, telecommunications equipment and shipbuilding, puts its loss for 1982 at L2,800bn ($2bn) according to Sig Romano Prodi, its recently-appointed chairman.

In October, Sig Gianni De Michelis, the state shareholdings minister, forecast losses for IRI of L2,476bn. Last year's loss, however, is less than the L3,134bn recorded in 1981.

The main source of the loss is, as usual, the steel sector, which expected to have lost at least L1,400bn last year, and shipbuilding. In addition, the holding company has been hit by unexpectedly high finance costs, because of the fact that the Government paid up less than half the sum of L7,600bn promised last year in fresh funds. As a result, IRI's debt went up by about L6,000bn to L35,000bn at the end of 1982, not far short of its sales for the year which were estimated in October 1982 at L36,260bn.

● La Rinascente, the Italian stores group which runs supermarkets, hypermarkets and department stores all over the country, expects its 1982 profits not to be below the figure for 1981, which was a record at L25.9bn.

The company's sales rose by 17.6 per cent in 1982, to L1,571bn, marginally above the Italian inflation rate. La Rinascente's sales of food products showed the fastest growth (at 33 per cent), while sales of other products suffered as a result of the recession.

The company's hypermarkets showed the biggest rise in sales.

Imasco lifts its third quarter performance

BY ROBERT GIBBENS IN MONTREAL

IMASCO, the Canadian tobacco products, food and retailing group 49 per cent owned by BAT of the UK, continues to beat the recession in both Canada and the U.S.

Third-quarter net earnings were C$48.5m (U.S.$39.3m), or C$1.09 a share, against C$37.7m, or 86 cents, on revenues of C$700m against C$593m.

In the first nine months ended December 31, net earnings were C$126.5m, or C$2.87 a share, against C$98.7m, or C$2.22, on revenues of C$2.08bn against C$1.67bn. Earnings per share reflected last November's two-for-one stock split.

Imasco's tobacco and food products business is mainly in Canada and its fast-food retailing operation in the U.S.

● Sun Life Assurance, Canada's largest life insurer, reported a steep fall in net income for 1982 to C$797,000 from C$73m a year earlier. Earnings were depressed by a substantial increase in actuarial reserve liabilities because of a sharp rise in annuity sales, mostly following the acquisition of Massachusetts Financial Services.

Sun Life's revenues rose 36 per cent to C$3bn in 1982 while premium income rose 28 per cent to nearly C$2bn. Total assets rose to C$10.1bn from C$8.8bn in 1981.

● Dofasco, Canada's second largest steelmaker, earned C$63.8m or C$2.63 a share in 1982 against C$169.3m, or C$9.08 a year earlier on sales of C$1.5bn against C$1.7bn.

Amax in red as demand and prices decline

By Our New York Staff

AMAX, the diversified U.S. mining group, made a net loss of $244.5m, or $3.96 a share, in the final quarter of 1982, compared with earnings of $14m, or 13 cents a share, for the same period in 1981.

For the year as a whole, the group lost $390m, or $6.53 a share, compared with 1981 earnings of $231m, or $3.31 a share.

Amax said that the results for the full year and the final quarter included a charge of $100m for a partial write-down of its investment in the Anamax copper mining partnership.

Pre-tax earnings for 1981 included a second-quarter gain of $84m from the sale of energy interests.

NOTICE OF REDEMPTION
To the Holders of

Government of New Zealand

Twenty Year 6½% Bonds due March 15, 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot for redemption on March 15, 1983 at 100% of the principal amount thereof through operation of the Sinking Fund, $803,000 principal amount of said Twenty Year 6½% Bonds due March 15, 1986 bearing the following distinctive numbers:

OUTSTANDING COUPON BONDS OF $1,000 EACH BEARING NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

01 03 06 07 08 11 13 17 20 23 25 28 29 34 39 42 46 52 57 59 60 62 64 66 67 77 82 88 92

ALSO COUPON BONDS OF $1,000 EACH BEARING THE FOLLOWING NUMBERS:

679	1779	2079	2579	4979	7779	8879	10779	12179	15379
1679	1879	2479	4579	5779	8579	10179	11679	15279	15479

FULLY REGISTERED BONDS WITHOUT COUPONS

Number	Principal Amount to be Redeemed
R156	$100,000
R157	$100,000
R158	$100,000
R160	$ 25,000
R208	$ 20,000

On March 15, 1983, the Bonds, or portions thereof, designated above will become due and payable at the principal amount thereof in such coin or currency of the United States of America as is legal tender for the payment therein of public and private debts, and will be paid upon surrender thereof at the corporate trust office of **Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015**, or at the option of the bearer or registered holder but subject to any laws and regulations applicable thereto in the country of any of the following offices, at the offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Frankfurt, London or Paris, or at the office of Baring Brothers & Co., Limited in London.

Coupon Bonds surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due March 15, 1983 should be detached and collected in the usual manner.

Upon surrender of a fully registered Bond for partial redemption, there will be issued a new coupon Bond or Bonds or fully registered Bond or Bonds for the unredeemed portion of such fully registered Bond surrendered.

From and after March 15, 1983 interest shall cease to accrue on the Bonds, or portions thereof, herein designated for redemption.

GOVERNMENT OF NEW ZEALAND

February 11, 1983

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

1752	2477	2798	4198	5770	5992	7788	8398	9275	13452
2277	2759	4139	5766	5775	6459	7792	8401	12039	

SENTRUST LIMITED

(Incorporated in the Republic of South Africa)

Gencor Group

UNAUDITED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 1982

	Half-year ended 31 December 1982	Half-year ended 31 December 1981	Year ended 30/6/82
	Rm	Rm	Rm
Group Net Income	10.8	13.1	23.8
Preference dividend	.3	.2	.5
Attributable to ordinary shareholders	10.5	12.9	23.3
Investment transactions	3.7	1.2	—
Total surplus	14.2	14.1	23.3
Investments at book value	100.2	92.3	95.1
(market value/directors' valuation)	331.1	245.6	164.3
	cents	cents	cents
Earnings per share (before investment transactions)	59	71	129
Dividends per share	50	46	94
Net asset value per share	1,840	1,373	909

Interim Dividend declared on 10 February 1983 — Payable 24 March 1983.
Amount per share 50 cents — Currency conversion 14 March 1983.

Copies of the full Interim Report will be posted to shareholders and may be obtained from the office of the London Secretaries, 30 Ely Place, London EC1N 6UA as from 24 February 1983.

Notice of Redemption

Corning International Corporation

8½% Guaranteed Sinking Fund Debentures Due March 15, 1986

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of March 15, 1971, under which the above designated Debentures are issued, $175,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn by lot for redemption on March 15, 1983 (herein sometimes referred to as the redemption date) through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

$1,000 Coupon Debentures

M-35	4428	7702	9136	9927	10488	12910	13629	14236	15551	16164	16797	17947	18362	18920	19565
99	4450	7897	9160	10000	10983	12992	13631	14412	15577	16498	16871	17967	18407	18980	19580
1261	4510	7898	9216	10016	11134	13107	13632	14477	15668	16508	17024	17992	18501	19009	19639
1977	4559	8219	9236	10017	11354	13121	13670	14526	15704	16539	17074	18102	18506	19156	19716
1984	5216	8230	9277	10022	11609	13237	13728	14552	15726	16546	17175	18105	18567	19163	19751
2458	5243	8238	9282	10191	11824	13269	13735	14624	15882	16573	17272	18183	18668	19191	19838
2497	6463	8268	9638	10194	11985	13368	13846	14725	15884	16593	17342	18190	18780	19204	19843
2522	6543	8393	9655	10207	12087	13429	13879	14841	15927	16636	17360	18247	18784	19337	19966
2953	6827	8457	9824	10968	12139	13457	13932	15117	16013	16678	17424	18282	18860	19341	
3166	6973	8629	9893	10401	12151	13487	14007	15350	16030	16743	17482	18329	18964	19344	
3649	6978	8731	9918	10486	12207	13582	14099	15400	16134	16788	17505	18348	18911	19359	

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the **Receive and Deliver Windows of Citibank, N.A.**, Trustee under the Indenture referred to above, **111 Wall Street — 5th floor, New York, New York 10043** or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in **Amsterdam, Brussels, Frankfurt (Main), London (Citibank House), Milan,** and **Paris** and the main office of **Citibank (Luxembourg), S.A.** in Luxembourg, the Company's Paying Agents. Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a dollar account maintained by the Holder with, a bank in the The City of New York. On the Redemption Date such Debentures shall become due and payable at the Redemption Price and on and after such date, interest on the said Debentures will cease to accrue and the coupons for such interest shall be void.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due March 15, 1983 should be detached and presented for payment in the usual manner.

Corning International Corporation
By: CITIBANK, N.A., as Trustee

February 10, 1983

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Today marks the end of the Year of the Dog in Hong Kong, a year during which many investors were badly bitten. **Robert Cottrell** reports

Overseas buying rallies Hang Seng

HONG KONG'S stock markets will open for business today on the last trading day of the lunar Year of the Dog. And it has indeed been a dog of a year, with many investors getting badly bitten as the Hang Seng Index plunged to a three-year low of 676 on December 2, against a 1982 high of 1445 on January 12.

This week, however, a steady recovery through December and January has seen the index stabilise at around the 900 level, closing yesterday at 915.51.

The recent rally has been notable for the strength of London institutional buying. Local investors have, by contrast, viewed the rise of the index as an opportunity to sell, creating a resistance at the 900 mark which was finally breached on Wednesday this week.

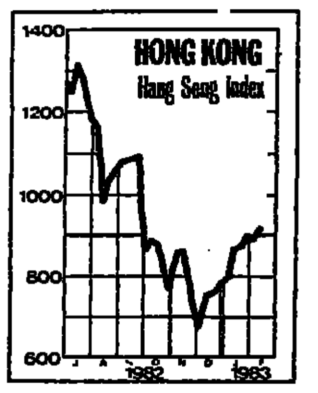
The combination of overseas buying and local selling suggests a case of those at the back crying "forward," and those at the front crying "back." Some local selling is a traditional feature of the pre-holiday period while for international investors, a spillover of money into Hong Kong is a function of both booming stock markets in London and New York, coupled perhaps with portfolios overly light in Hong Kong after last year's rout.

Beyond those mechanical considerations, there is ample scope for differing views on the Hong Kong market as the lunar Year of the Pig dawns. There is political risk to be assessed, as Britain and China progress with what appear so far to have been fractured negotiations over the territory's future, and in economic terms there exists the potential for substantial recovery from a relatively depressed 1982, but largely dependent for its realisation on a still uncertain outlook for the U.S.

For overseas investors, there is the additional need to take a view on the Hong Kong dollar, which is liable to shift with political sentiment to compound the ups or downs of equity gains.

The factors which London seems to like about the Hong Kong market are, in broad terms, the relatively undemanding price-earnings multiple, currently around seven; the sense that short-term over-reaction to crises of the last six months has left quality stocks over-sold on a yield basis; the smell of industrial recovery, with a nascent electronics sector offering fashionably high-tech buying opportunities; and a hope that Britain and China's joint commitment to "stability and prosperity" will translate itself into a practical solution.

In the immediate short term,



bears are likely to score a sentimental gain when Mr John Bremridge, Financial Secretary introduces his 1983-84 budget later this month. While the markets may reckon to have discounted the unveiling of a substantial deficit for financial year 1982-83, it will not be cheered by having the figures spelt out and Mr Bremridge may well be tempted to take a cautious view of the coming year, having seen overly optimistic forecasts for 1982-83 dragged painfully downwards.

Meanwhile the Hongkong and Shanghai Bank features in its latest report an aide-memoire on just how bad 1982 was. Over the year the Hang Seng index fell by 44.2 per cent to 783 and five quoted companies were suspended.

Total turnover on the four exchanges was HK$46.2bn (U.S.$7bn) less than half the HK$105.6bn recorded in 1981.

Market capitalisation of property companies included in the Hang Seng index dropped 57 per cent. Total earnings of the index's constituent companies increased just 1.2 per cent, after rising 59.8 per cent in 1981, and 47 per cent in 1980. Dividends increased 8.6 per cent, against 24 per cent in 1981 and 62 per cent in 1980.

It wasn't much fun for corporate financiers either. In 1981, new equity issues raised almost HK$10bn but in 1982 the total was a paltry HK$1.78bn—and of that, HK$730m represented final calls on shares issued partly-paid in the previous year.

S. Africa's banking cartel to be abolished

By Bernard Simon in Johannesburg

THE CARTEL of South Africa's 11 clearing banks, in force for the past 54 years, is to be abolished at the end of February following growing dissatisfaction with its provisions in Government circles, among the public and even among some of the banks themselves.

Termination of the cartel, which is known officially as a Register of Co-operation, is expected to lead to increasingly fierce competition among the banks. It may herald the introduction of interest payments on cheque accounts in South Africa, which have been forbidden up to now in terms of the cartel's provisions.

The abolition of the cartel has been cited by Barclays and Standard, the country's two largest banking groups, as an important factor contributing to their uncertain profit outlook during 1983. These banks rely on interest-free cheque accounts for over one-fifth of their funds.

The scope of the Register of Co-operation has steadily narrowed in recent years. The main areas to which it applies at present are commitment fees, commissions for endorsements and guarantees and cheque and mail transfer charges.

Members of the cartel were strongly criticised when they introduced a new structure for bank charges in 1981. Many customers ended up paying higher service fees on non-interest bearing current accounts, but large companies were able to negotiate substantial concessions. At least one bank ignored a cartel stipulation that a service charge was to be levied on large cash deposits.

The Registrar of Banks last August instructed the banks to dismantle the cartel within one year.

Australian Borg-Warner's growth slows

By Lachlan Drummond in Sydney

BORG-WARNER (Australia) has ended 1982 with an 8.8 per cent gain in annual net earnings to A$13.18m (U.S.$12.7m) after a marked slowing in profit growth in the closing six months.

The improved profits came on a 16.1 per cent sales improvement to A$261.88m and compares with a 22 per cent gain to A$5.7m in the first half.

The company, which makes automotive parts, air conditioning systems, pumps and transmission systems, said the erosion of margins in all of its local bunsinesses resulted from substantial wage increases and a reduction in working hours.

The erosion of margins in Australia was partly offset by a strong performance overseas, the company has interests in New Zealand and South Africa, while investment income grew by A$2.5m from around A$2m last year.

A final dividend of 7.5 cents a share, against 7 cents in 1981 is to be paid on capital recently increased by a one-for-10 scrip issue. This takes the total to 14 cents a share, compared with 13 cents, for an effective 13.4 per cent increase in payout.

Official approval for Selprop's U.S.$437m KL property deal

BY WONG SULONG IN KUALA LUMPUR

SELANGOR PROPERTIES (Selprop), the leading Malaysian property group, is set to emerge as the biggest company on the Malaysian and Singapore stock exchanges in terms of paid-up capital following official approval for it to go ahead with a massive US$437m property project in Kuala Lumpur.

The development of 54 acres in the affluent Damansara suburb into a commercial centre will push Selprop's paid-up capital from 96m Ringgit (U.S.$42m) to over 600m Ringgit.

Currently, the big four on the Malaysian and Singapore exchanges, in terms of paid-up capital, are Multi-Purpose Holdings (U.S.$197m), Oversea-Chinese Banking Corporation (U.S.$196m), United Overseas Bank (U.S.$189m) and Sime Darby (U.S.$157m).

Selprop says that the development of the Damansara commercial centre should generate gross revenues of over 7bn Ringgit and pre-tax earnings of 2.5bn Ringgit for the group over 15 years.

The 54 acres, currently owned by Bungsar Hill Development, in which Selprop has an 8 per cent stake, is valued at just over 1bn Ringgit.

Selprop is to pay 377m Ringgit for the land through an issue of 102m new Selprop shares of 1 Ringgit each. These new shares would go to the two major shareholders of Bungsar Hill Development, Datuk T. K. Wen, who is also Selprop's chairman, and Tan Sri Ibrahim Mohamed, chairman of Promet, the property and oil rig builder.

Following this, Selprop will make a three-for-two as well as a special issue of 135m new shares to Bumiputras (ethnic Malays).

The special issue is to be priced at par of 1 ringgit each and would be sold to Koop Bersatu, the co-operative of the ruling United Malays National Organisation, and Tan Sri Ibrahim, in the ratio of 60 to 40.

The land would be developed by a joint company, 50 per cent-owned by Selprop, 30 per cent by Koop Bersatu and 20 per cent by Tan Sri Ibrahim.

The Damansara commercial centre project has been the subject of considerable uncertainty and political lobbying for the past 10 years and the Kuala Lumpur city authorities recently agreed to lift a compulsory acquisition order on the land only after Selprop agreed to open the project for substantial Malay participation.

After the equity restructuring exercise, Datuk Wen is expected to end up with slightly more than 50 per cent of Selprop's capital, with Koop Bersatu and Tan Sri Ibrahim holding slightly over 30 per cent.

Anglo-Alpha earnings slip

By Our Johannesburg Correspondent

ANGLO-ALPHA, the South African cement and lime producer which is 34 per cent-owned by Holderbank Financiere Garis of Switzerland, showed little or no growth in 1982.

Turnover rose by 6.3 per cent to R253m ($224m), from R238m, though sales volume declined. Operating income before interest and tax rose by 7.4 per cent to R66.6m ($59m) from R62m.

The industrial division suffered as gold mining and steel industry demand for lime slipped. This was offset to some extent by better demand for cement and aggregates. At the non-operating level, higher interest, tax and depreciation charges led to a decline in per share earnings to 90.3 cents, from 90.4 cents. The total dividend has, however, been increased to 42 cents a share from 36 cents.

An improvement in trading performance in the second half of the year is reported by the directors.

Better second half for SCF

By Our Sydney Correspondent

STANDARD CHARTERED FINANCE (SCF), the Australian finance house 52 per cent-owned by Standard Chartered Bank of the UK, believes that it is back on the growth track after two years of falling profits.

The company, formerly called Mutual Acceptance, yesterday reported a 6.7 per cent decline in net earnings for 1982, from A$3.5m (US$3.1m) to A$3.2m after an increase in second half profits.

The company's income from receivables increased by 25 per cent to A$107.8m with gross receivables growing by 9.8 per cent to A$819m. Interest charges rose to A$83.7m, up 29 per cent.

After the second half improvement, the final dividend is up from the 1.5 cent interim to 2.5 cents a share, although the total falls short of the 6.5 cents total paid for 1981.

Japanese banks get loan guide

The Japanese Finance Ministry has issued Japanese banks with new guidelines on overseas loans, designed to help them participate on a sound basis in efforts to aid countries with liquidity problems, Reuter reports from Tokyo.

The new guidelines already effective, may, in case of need, exceed the present limit on a bank's loans to borrowers in a specific country of 20 per cent of its equity capital (share capital plus reserves).

This will allow Japanese banks' to participate in international syndicated loans for Mexico and other countries.

However, the guidelines also require the amount lent in excess of the 20 per cent limit to be matched 100 per cent with funds of the same or longer maturity.

The guidelines also raise the matching requirement for loans with maturities of one to three years to 45 per cent of the loan from the present 40 per cent. Loans for longer periods must be matched 15 per cent with funds of the same or longer maturity instead of the present 10 per cent.

The banks have been given one year to attain the higher matching requirements to avoid a rush for funds on the Euro-dollar market.

The guidelines also say that banks should seek ways to limit their foreign currency assets to 15 times a bank's equity capital, to put an end to sharp rises in their holdings of assets of this type in recent years.

A few Japanese banks are said to have foreign currency assets worth about 13 times their equity capital, but total foreign currency asset holdings of all Japanese banks are far below the limit.

Japanese banks are also told to try to gather information about the credit risk of borrower countries and to secure their own liquidity to prepare for any contingency.

The Ministry has also proposed the establishment of a new special reserve for banks to provide for possible loan losses overseas.

Japanese banks are also urged to expand their credit lines with U.S. and other western banks to secure their liquidity in case of a credit shortage.

Meanwhile leading Japanese banks have asked the Finance Ministry to increase their quotas for participation in yen and dollar syndicated loans in the April-September period.

The request was made during the Ministry's assessment of the banks' progress in using their supply of syndicated loans in the October-March period and on the prospects for their activities in this area in the subsequent six months.

The banks' supply of yen syndicated loans to foreign, mainly sovereign, borrowers in the current period is reportedly almost complete.

Japanese banks' total quotas for yen syndicated loans for October-March, including loans to international financial institutions, are put at Y540bn.

Singapore move

Hewlett Packard of the U.S. is to increase its investment in Singapore to transfer manufacturing fibre optic components from the U.S., reports Reuter. Hewlett-Packard Singapore is to build a S$50m (U.S.$24m) plant to start the fibre optic operations.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½ %
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½ %	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½ %
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½ %	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½ %	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½ %	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½ %
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½ %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¼%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

NOTICE TO HOLDERS OF

ITO-YOKADO CO., LTD.

7.3 PER CENT CONVERTIBLE BONDS DUE 1990

Pursuant to Clause 7(B) of the Company's Trust Deed dated as of 24th July, 1980 relating to the above-mentioned Bonds, notice is hereby given as follows:

1. On February 1, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of February 28, 1983 in Japan, at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion price at which the above-mentioned Bonds may be converted into shares of Common Stock of the Company will be adjusted effective as of March 1, 1983, Japan Time. The conversion price in effect before such adjustment is Yen 1,054.50 per share of Common Stock, and the adjusted conversion price will be Yen 958.60 per share of Common Stock.

ITO-YOKADO CO., LTD.
By: The Bank of Tokyo Trust Company as Trustee

Dated: February 11, 1983

NOTICE TO HOLDERS OF

ITO-YOKADO CO., LTD.

6⅞ Per Cent Currency Linked/ U.S. Dollar Payable

CONVERTIBLE BONDS DUE 1991

Pursuant to Clause 7(B) of the Company's Trust Deed dated as of 26th March, 1981 relating to the above-mentioned Bonds, notice is hereby given as follows:

1. On February 1, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of February 28, 1983 in Japan, at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion price at which the above-mentioned Bonds may be converted into shares of Common Stock of the Company will be adjusted effective as of March 1, 1983, Japan Time. The conversion price in effect before such adjustment is Yen 1,076.40 per share of Common Stock, and the adjusted conversion price will be Yen 978.50 per share of Common Stock.

ITO-YOKADO CO., LTD.
By: The Bank of Tokyo Trust Company as Trustee

Dated: February 11, 1983

The Toronto Dominion Bank

U.S. $100,000,000

Floating Rate Debentures February 1992

For the six months 11th February 1983 to 11th August 1983 the Debentures will carry an interest rate of 9⅛% per annum. The relevant interest payment date will be 11th August 1983 and the amount of interest payable on each coupon will be U.S. $493.35.

Agent Bank
Midland Bank plc

THE MANAGEMENT PAGE

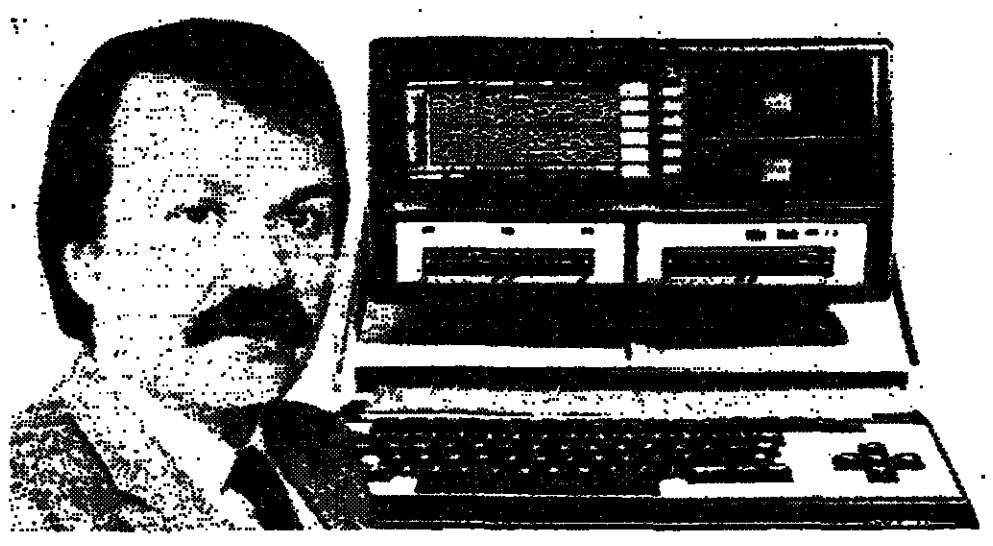
EDITED BY CHRISTOPHER LORENZ

Entrepreneurship in West Germany

Why Volker Dolch turned to the U.S.

Opinion is divided in one of Europe's strongest economies over the reasons for the dearth of high tech companies and shortage of equity funding.

Guy de Jonquieres and **Stewart Fleming** report



AT 38, Volker Dolch is a rare bird in West German industry—an entrepreneur in the high technology field of micro-electronics.

According to *Dataquest*, the U.S. electronics industry consultancy, his company, Dolch Logic Instruments, is the world's fourth largest producer of logic testing equipment. His products check and "de-bug" microprocessor circuitry, logic systems and software, rather in the manner of a doctor using electronic equipment to examine the human brain. The three leaders in the field are all U.S. companies: Tektronix, Hewlett Packard and the *Biomation subsidiary* of Gould.

Dolch himself is convinced that the company he founded in 1976 would never have reached this exalted status in this highly competitive and innovative segment of the *micro-electronics industry*, no matter how good its products, had it not been able to escape from the suffocating embrace of the West German financial community—its bankers in particular.

"We could have got off the ground with finance *from* West German banks. But we would never have been able to raise enough equity capital to grow as quickly as you need to in order to stay abreast of the heavy guns in the microelectronics industry," he says with brutal frankness. "The German financial system puts minefields in the way of high tech companies such as ours."

To weave his way through these minefields Dolch has had to employ the same combination of imagination and native cunning which he has applied to designing the company's logic testing equipment. Last August Dolch finally broke clear. In a successful bid to lock into the financing available in the U.S. equity capital market, but also in order to establish a high profile in a country which accounts for half the world market for logic analysing equipment, Dolch executed a neat reverse takeover.

The U.S. subsidiary which he set up in "Silicon Valley" in California in 1978 took over the West German parent company, and *then* raised $1.5m by selling 7 per cent of the group's equity to two venture capital funds.

Dolch was already familiar with the U.S. having for *several years worked* for Scanner Inc, which designed and marketed point of sale equipment for supermarkets. He also invented and patented point of sale equipment. He returned to West Germany in the mid-1970s to work as a consultant in microprocessors and established his own company in 1976.

Dolch is already planning another equity issue for this year which should value the company at over $30m. He is hoping that if the market is right in 1984, the company—which now has an annual turnover of DM 35m and had DM 1.5m profits last year—will be able to make its debut on the U.S. over-the-counter market. "Venture capital in the true sense of the word just does not exist in West Germany," Dolch says.

That is a statement which is certain to raise a few hackles at the Frankfurt headquarters of the Deutsche Wagnis Finanzierungs Gesellschaft (DWFG), literally translated the German Venture Capital Company, a body owned by a score of West *Germany's leading* banks and supported indirectly by the Federal Government.

Back in 1979, in an effort to get the capital he so badly needed Dolch went to the DWFG. In order to get DM 1m of equity he had to sell 50 per cent of the stock in his company to DWFG and promise to stump up a matching DM 1m over the next few years, a burden which could have extinguished the entrepreneurial flair of a businessmen more concerned with making himself rich than Dolch.

He says today that he would not have taken the step were it not for the fact that he also secured an option to buy the stake back from the DWFG in four years. This option proved to be a lifeline. It enabled Dolch to repay the loan, recover the equity and float the company on the U.S. venture capital market with an issue which valued the group at almost DM 50m. *DWFG is left with a meagre* 1.9 per cent stake in Dolch, he says.

But in Dolch's view the lending officers of the West German banks are both ignorant and afraid of lending to companies operating in *high tech fields.*

"When I talk to bankers in the U.S. they have an amazing knowledge of the microelectronics business. In a way it's not so surprising because any normally intelligent person can easily learn to understand it," he adds. "But German bankers are not willing to open their minds. All they want to know about is what security they can have, what the tangible assets are worth, what the company's record looks like and if they can get a personal guarantee from me as an owner even if the company is a limited liability concern. But unless you understand our 'know how' you cannot understand the assets of this company," he says, for Dolch Logic Instruments is essentially a company whose success rests on coming up with new product designs. In West Germany one third of its staff of 150 are qualified engineers, 25 of them with first degree level qualifications or better.

If Dolch is right then West *Germany* is going to have to pay more attention to its financing structures, including its stunted equity markets, if it is to nurture in a period of slow economic growth the new entrepreneurs it needs in high-tech fields.

S.F.

Venture capital struggles to get off the ground

"Most German companies rely on equity for less than 20 per cent of their total capital, a much lower proportion than in the U.S. and Britain"

WHY HAS West Germany—a country with a long tradition of small family-owned companies—failed to produce more entrepreneurs like Volker Dolch (see accompanying article), who have built flourishing businesses on the innovative application of microelectronic technology? Germans themselves differ about the answer.

Karl-Heinz Fanselow, managing director of the Frankfurt-based Deutsche Wagnis Finanzierungs Gesellschaft (DFWG), a financing consortium owned by 28 large commercial banks and backed by the federal government, blames a lack of initiative in industry.

German managers, he says, do not have the taste for risk and adventure which motivates many *of their American counterparts* to leave secure jobs with large companies and set up on their own. There have been few cases in Germany of management buy-outs, increasingly frequent occurrences in the U.S. and Britain, whereby a group of managers acquire control of the business which they are running from its corporate owner.

Fanselow believes that a radical change of attitudes will be needed before such practices become common in Germany. "We need a different climate to produce more entrepreneurs," he says. "The situation today results from policies dating back 20 years, and it will take many years to change it."

The DWFG was formed in 1975 to supply a broader range of financing for small companies than was *available from* the commercial banks, with their heavy emphasis on lending. But it burned its fingers initially by financing too many unsucessful "start-up" companies. Capitalised at DM 50m, its annual loss was running at DM 15m by 1970-80, the year in which Fanselow took over.

He has shaken up the DWFG's management structure and investment policy. Today, less than one-third of its investments are in "start-up" companies. The financing packages which it offers contain a smaller *proportion of straight equity* and more loans and preference shares than in the past because Fanselow says, the DWFG needs to generate a source of steady income.

Of the 14 companies which it financed last year, only two were involved in electronics or other new technologies. (The DWFG does not disclose details of its investment portfolio). By contrast, it is estimated that more than two-thirds of the $1.5bn of new venture capital investments made in the U.S. last year were in technology-related companies. Almost all the money was in the form of straight equity.

Precise and reliable statistics about venture capital in Western Europe are hard to establish. But activity in Germany *appears very limited, to judge* by the results of a survey by the Venture Capital Liaison Office, an arm of the European Commission in Brussels. Late last year, it sent questionnaires to several hundred financial institutions in the EEC, asking them about the venture capital investments which they have made in the past two years.

Britain heads the list, with 41 institutions reporting 357 deals totalling £186m last year alone. In the Netherlands, 10 respondents reported 64 investments worth more than Fl 40m, while 11 French institutions listed 74 deals amounting to FFr 86m. Only two replies were received from Germany (one from the DWFG), reporting 19 investments totalling DM 28m.

Not everyone agrees with *Fanselow that Germany lacks* budding entrepreneurs. Thomas Kuehr, a former DWFG executive who is trying to set up what he claims is the country's first U.S.-style venture capital fund, says that since news of his project got out, he has *received about 10 proposals a* week from inquirers seeking equity finance. Most are involved in electronics, biotechnology and chemicals.

Dr Alfred Prommer, who left Siemens' semiconductor division 18 months ago to set up his own consultancy in Munich, says that he is advising about 15 entrepreneurs in technology-related businesses, some of whom have "spun off" from large companies like Siemens and Bosch. Most such start-ups, he says, are to be found in southern Germany, chiefly in *Bavaria* and *Baden-Wurtemberg.*

Both men say, however, that Germany's financial system is not geared to provide the support which such entrepreneurs need. The problem is not a shortage of money, but a failure to identify promising new growth sectors and to understand that the financing requirements of small technology-related companies differ from those of the traditional manufacturing businesses which abound in Germany.

A number of German banks *have set up special arms known* as Kapitalbeteiligungsgeschaefte (capital participation businesses) to finance small companies, and money can also be obtained from a variety of federal and state support schemes to help cover the cost of investments.

But according to Kuehr, such schemes are flawed because they are designed principally to finance plant and equipment. They are not well suited to the technology entrepreneur, whose main need is to obtain working capital while he develops a new product, whose production he may well sub-contract to a large company.

Kuehr and his partners—one of whom is Volker Dolch — are seeking initial backing of about $15m for their planned fund, to be called Genes. But though they see plenty of investment opportunities in Germany, they expect to raise only a small proportion of the money they need from German sources. Indeed, the brochure outlining Genes' investment strategy is being printed in only one language — English.

A further problem confronts the growth of venture capital in Germany. It is the absence of a sufficiently vigorous stock market, which would provide a means for investors in successful small businesses to realise their gains by selling shares. Though shares of smaller companies are traded in Germany on an unofficial "telephone market," it is less well-*organised and developed than* the Over-the-Counter Market in the U.S. or London's Unlisted Securities Market.

Most German companies rely on equity for less than 20 per cent of their total capital, a much lower proportion than is *common* in the U.S. and Britain, and only about 450 companies are publicly quoted. Share ownership is dominated by the large commercial banks, which tend to view their equity holdings more as a method of securing an interest in companies to which they lend money, rather than as a prospective source of capital gains.

So far there has been little pressure for change in this system from Germany's numerous small family-owned companies, many of which are reluctant to seek outside investors. "*Most German family* businesses find it extremely difficult to release equity," says Stephan von Watzdorf of London-based management consultants MMG. "They would prefer to borrow until they're bankrupt rather than surrender control."

Some German financial experts would like to see radical institutional reforms aimed at creating a new equity market along the lines of the U.S. Over The Counter market. But others believe that there is considerable scope for meeting the needs of small companies within the existing system.

Among the latter is Bernd Ertl, head of PM Portfolio Management, an investment and underwriting firm based in Munich. During the past 18 months PM Portfolio Management has surprised the financial community by creating an underwriting syndicate including several smaller banks, which has successfully brought two *young companies to the* stock market.

One company, E-2000, is an electronic components distributor, while the other, Knuerr, makes cabinets for electronic equipment. Each issue raised about DM 7m and was over-subscribed six times. Ertl plans two more issues soon, one for a manufacturer of electronic connectors and the other for a construction company. He is also considering proposals to raise about DM 1m each for two small software companies.

Why are other financial institutions not adopting PM's pioneering approach? "In the field of equity financing for small companies, Germany is the world's most undeveloped country," says Ertl. "We are the only people who bother to go and talk to those companies and convince them that they should come to the stock market."

G.deJ.

Management abstracts

Barriers to product innovation at the research/marketing interface. A. F. Millman in European Journal of Marketing (UK), Vol 16 No 5.

Points to a need for collaborating between research/development and marketing in product innovation—but shows how differences in organisational structure, in training, and in working styles can cause difficulties; discusses how a "multi-disciplinary effort" can be set up.

Industrial design. P. Lawrence and others in Design (UK), September '82.

Explores, with short contributions from various interested parties, alternative ways of strengthening the role of industrial design: defining a discrete management skill called "design management," integrating design with strategy/tactics at all levels. Reports how named UK companies are following the lead of named European ones in trying to turn the humble kitchen sink into a piece of "systems furniture." The final article argues that the right place for designers is in the marketing department, not with R and D.

How to develop an investor relations programme. A. I. Goldman in Financial Executive (USA). July '82.

Perceives benefits accruing to companies that promote stock-market awareness of themselves; suggest a programme of *activities, eg seeking to increase* demographic/geographic spread of share-holders, and describes qualities required in a publicist.

Deadlines. T. Bentley in Computing (UK). September 16, '82.

After noting reasons for imposing deadlines on projects, discusses why deadlines may be unrealistic and/or ignored, and recounts experiences to exemplify pitfalls; widens the angle to project control in general.

Is there a better way of dismissing executives? R. J. Burke in Cost and Management (Canada). July/August '82.

Looks at research into executive terminations, and finds that the act is characterised by deception and manipulation; sets out considerations *in*, and effects of, a termination decision (or its alternatives); arguing that when termination is badly handled, it damages the individual and the company image, warns that employers need "to clean up their act."

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, P.O. Box 23, Wembley HA9 8DJ.

MINING

UK COMPANY NEWS

Hamersley triples profits for 1982

BY LACHLAN DRUMMOND IN SYDNEY

THE Rio Tinto-Zinc group's Australian iron ore giant, Hamersley Holdings, has more than tripled net earnings for 1982 and has raised the dividend to 8 cents from 5 cents in 1981.

Although iron ore shipments were a little lower at 28.3m wet tonnes – and 5.1m tonnes below production – Hamersley has benefited from the 17 per cent price increase negotiated with Japanese steel mills earlier in the year, coupled with the fall in value of the Australian dollar against that of the U.S. dollar in which the ore is sold.

The building up of unsold iron ore stocks must give some concern in view of the poor outlook for prices and sales in the current year. But the latest results will give encouragement to shareholders of RTZ's 57.2 per cent-owned CRA, which holds 93.7 per cent of Hamersley.

CRA lost A$33m in the first half of last year and passed its interim dividend, but hoped to be able to make a small final payment.

The company's recent production figures together with the results from Hamersley and the rise in precious metal's income from the 53.6 per cent-owned Bougainville Copper suggest that CRA may have returned to profitability in the second half of 1982.

JCI profits static at six-month stage

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S Johannesburg Consolidated Investment (JCI) mining and industrial group reports net profit for the six months to December 31 of R48.7m compared with R48.6m in the same period of the previous year and a total for the 12 months to last June of R85.6m.

In December JCI declared an unchanged interim for the current year to June 30, of 130 cents (74.7p). The previous year's final was 470 cents.

The group derives most of its income from investments in gold, diamonds, platinum and South African industrial interests. Net profits were 12 per cent down in the year to last June

Since then the markets for gold and platinum have brightened considerably and while dividend income from platinum and diamond investments has yet to pick up, that from gold will be rising. The industrial picture has also improved and, in all, JCI should see a modest rise in earnings during the current second half. The shares were unchanged at £71 yesterday.

GFSA may have new gold mine near Kloof

BY OUR MINING STAFF

THE prospect of a new gold mine to the south-west of the Consolidated Gold Fields group's Kloof property on South Africa's West Rand has been highlighted by drilling carried out by Gold Fields of South Africa.

Mr Colin Fenton, executive director of the GFSA gold division, said in Johannesburg that the group had eight drilling rigs working on the site at a cost of about R4m (£2.3m).

He added that they had confirmed a reef at a depth of 3,211 metres and he hoped that the area would be as good as that of Kloof, which last quarter milled ore grading 15.1 grammes gold a tonne.

If the new area proves to be a viable proposition, important tax savings would arise if the South African Government allows it to be regarded as part of the Kloof operation rather than as a separate new mine.

Lonrho hit by fall in commodity prices

By Our Financial Staff

LONRHO felt the effect of low world commodity prices for its precious metals and sugar activities last year. Pre-tax profits fell 32.7 per cent from a restated £111.6m to £75.1m for the year ended September 30, 1982. First-half figures had slipped from £40.7m to £38.5m

Mr Roland "Tiny" Rowland, the chief executive, comments that the ultra-depressed commodity prices during the year – affecting sugar, platinum, palladium, nickel, coal and gold – cut heavily into the revenues from the group's major producers. As a result, the contribution from commodity based activities fell by some £34m – almost the entire group profits reduction.

Improved production and cost-cutting took some of the sting out of the fall, though, and Mr Rowland reports that the current year already looks a lot better for commodities generally.

The recovery signs for the current year are strong, says Mr Rowland, based on improved precious metals prices, lower world interest rates and the improving performance of the group's commercial activities.

The group's balance sheet remains strong, with net assets per share at 205p. Gross assets have increased by £100m to £1.78bn, while total net borrowings, excluding those from confirming businesses, are 50 per cent of total assets employed.

The overall dividend for the year is unchanged at 9p net per share, with a final payment of 5p (6p).

Sales for the 12 months increased from £2.42bn to £3.01bn and included associates turnover of £672.8m (£448m). Pre-tax profits included associates profits of £20.6m (£28m).

Attributable profits were down from £35.3m to £20m, after charging tax of £38.7m (£50.9m) and minorities of £16.4m (£25.4m).

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CHAIRMAN SEES IMPROVED POTENTIAL

Imperial profits rise 46% to £154m

BY OUR FINANCIAL STAFF

"SUBSTANTIAL and encouraging" is how Mr G. C. Kent, chairman and chief executive, describes Imperial Group's improvement in profits for the year October 31 1982. At the pre-tax level they are up 46 per cent, from £106m to £154.3m.

Mr Kent says this is tangible evidence of the success of the immediate recovery programme that he instituted on becoming chairman.

"We firmly believe that Imperial Group has a potential for advance which it has not known for many years," he tells members in a statement accompanying the preliminary figures.

His aim is that the group will become a growth company, and be recognised as such by the investing public. Last year was an encouraging start, but a similar rate of improvement cannot reasonably be expected in 1983 as well.

In respect of the current year, Mr Kent says that despite continuing difficulties affecting the trading climate of some divisions, indications for the first quarter are that profit before tax is similar to that of the same period last year, and is in line with the expectations to make progress in real terms for the year as a whole.

The dividend for 1981–82 is being held at 7.25p net per share, with a final of 4.5p. This means that the good results will give rise to a better relationship between the levels of after-tax profit and dividend than in recent years. Mr Kent points out that until recently the dividend was underpinned by sizeable investment income, supported by the trading contribution.

Without the former, increase in dividends must come from improvements in trading profits, which in turn implies further investment from a judicious blend of profit retention and borrowings. "By this route, shareholders may anticipate an enhancement in the capital value of their investment and in their income."

In 1982 the group sold a variety of businesses that were faring badly or unlikely to fit into the eventual strategy. Chief ones were the poultry and egg interests in the UK and U.S. Their disposal has given the food division a new stability. There were examples of rationalisation and reorganisation elsewhere, notably in Imperial Tobacco and head office, while at Courage there were further moves to get rid of out-dated plant and equipment.

Sales in the year rose from £4.53bn to £4.81bn. Available profit came out at £51.4m (£56.5m) and earnings are shown to be 21.4p (14.4p) before tax and 18.4p (12.8p) after.

At October 31 1982 borrowings stood at £261m, compared with £268.8m – equal to 31.7 per cent (36 per cent) of shareholder's funds

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Pentos sale brings offer for Jeavons

BY DAVID DODWELL

NEWMAN TONKS, the Birmingham-based manufacturer of products for the engineering and building industries, has mounted an agreed £4m bid for Jeavons Engineering.

The bid has been triggered by an agreement from Pentos, the loss-making conglomerate which spans publishing, bookselling, engineering, construction and office furniture manufacture, to sell its 40 per cent stake in the company.

Jeavons makes gas supply regulators and compression fittings and was wholly-owned by Pentos until August 1981. At that stage, the parent was forced to dispose of 60 per cent of its holdings to reduce debts and interest costs.

The latest approach from Newman Tonks is its second. Its first, a year ago, was rejected and it is understood that Pentos would not have been prepared to sell its remaining stake had it not been for continuing pressure to reduce borrowings.

Shareholders accounting for 55 per cent of Jeavons' issued shares have agreed to accept the one-for-one equity offer.

Full acceptance of the offer will involve the issue of 5.6m Newman Tonks shares, based on a price of 72p per share. This values Jeavons at £4m.

Hill Samuel has agreed to underwrite a cash alternative of 66p for every ordinary Jeavons share. On the stock market, Jeavons shares promptly rose 10p to 72p on the news, while Newman Tonks slipped 4p to close at 68p.

Pentos has opted to take the cash alternative – amounting to about £1.6m for its 2.24m holding. The cash raised will be used to trim the company's borrowings further.

At the end of June last year the company announced reduced losses of £937,000 against £1.46m a year earlier. Interest payments were £1.16m in 1981, while total debts stood at £10.5m. The company was aiming to cut these to £6m by the end of 1982.

Mr Terry Maber, Pentos chairman, said yesterday: "The sale fits in with our plans to reduce borrowings. Our investment in Jeavons falls into the area of being peripheral.

"We still have investments that I would call peripheral, so during 1983 there will be further cash realised from the sale of these. This programme has not been completed." he said.

Jeavons' pre-tax profits for the year to December 31 1982, announced yesterday, amounted to £601,000, down from £631,000 in 1981.

Toymaker calls in receivers

By Charles Batchelor

BERWICK TIMPO, one of the few surviving British toymakers, went into receivership yesterday in the face of mounting losses.

Meanwhile Mettoy, famous for its Corgi models, announced plans to raise £3.1m to finance further development by way of a three-for-four rights issue despite the prospect of a higher 1982 loss.

More than one restructuring plan has been put to Berwick Timpo's bankers – Barclays and Williams and Glyn's – during the past few days but they were unable to support any of them, the company said yesterday.

A disappointing Christmas sales period and "shop floor inefficiencies" at Berwick Toy Company of Wallasey, one of the three main divisions, led to a 1982 loss of £2.3m instead of the expected £1.3m, said Mr William Everard, chairman.

"The crucial Christmas period was not up to expectations. Our 1982 range was not quite of the calibre I would have liked. Lower sales and additional write-offs cost us £400,000 in profits."

The pre-Christmas rush at Berwick Toy meant some items were underpriced, stock losses occurred and overheads and costs rose. This contributed the bulk of an additional £600,000 loss.

Mr Everard said he expects to find buyers for two of the group's divisions, Peter Pan Playthings and Harbutts, quite easily. But Berwick Toy, where about 58 of the group's 250 workforce is employed, would be more difficult. Bank debt is £2.5m.

Mettoy estimates it made a pre-tax loss of £4.24m last year after extraordinary charges of £600,000, compared with a loss of £2.67m in 1981. Turnover fell by £2.9m to £25.3m.

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LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
§108	F.P.	13/1	222	140	✣Baltic Leasing 5p	220	−2	b2.8	3.5	1.8	17.4
‖	F.P.	—	17½	12	✣Booth (Charles) 5p	17½	...	—	—	—	—
§100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	...	—	—	—	—
§74	F.P.	21/1	158	103	✣Canvermoor	145	.....	b3.64	2.0	3.6	18.5
§17	F.P.	21/1	35	24	✣Inn Leisure 5p	34	+3	ud.42	8.7	1.8	17.0
§130	F.P.	14/1	215	155	✣Memory Comp Ir10p	215	+28	bQ18.8	6.8	1.1	25.4
§190	F.P.	4/3	368	330	✣Microgen	340	+10	b4.0	2.9	1.7	28.0
§155	F.P.	7/1	255	200	✣Munford & White	235	+17	b8.6	2.4	1.6	37.1
§93	F.P.	4/2	198	145	✣Resource Tech. 10p	172	+5	—	—	—	53.1
120	F.P.	—	125	105	✣Swindon Priv Hos £1	105	...	—	—	—	—
§101½	F.P.	—	78	16	✣Tops Estates 10p	72	−8	—	—	—	—
§150	F.P.	18/2	340	265	✣WightCollinsR S10p	283	+6	bd2.75	3.3	1.4	31.6
—	F.P.	3/3	25	21	Yorks & Lancs. W'rrnts	21	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	90	88	Anglo-Nordic 10½ Cnv. Uns. Ln. 1989	88	.....
97.504	£25	4/3	29½	16¾	BOC 12¼% Uns. Ln. 2012-17	18¾	+¼
99.431	£20	10/4	21⅞	18	Birmingham 11½% Red. 2012	18¼	+⅜
¶	£10	24/3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	
¶¶	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	88⅛	+⅛
¶	£10	—	10	10	Mid Sussex Water 7% Red. Pref. '88-90	10	.....
—	—	—	100	99	Nationwide Bdg. Soc. 11⅞% Bds. 28.1.84	100	
—	—	—	100⅛	100	Do. 11⅞% Bds. 18.2.84	100⅛	+⅛
§97.174	£25	6/5	24¼	22	Pearson (S.) 13% Uns. Ln. 2007	24¼	+¼
96.55	£25	8/7	25⅞	23½	Sweden 13½% Ln. Stk. 2010	25⅞	+⅛
¶¶	F.P.	18/2	90	85	Transcont. 9% Cnv. Ret. Uns. Ln. Nts. 1985	88	..

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	Nil	26/2	28/4	45pm	23pm	AGB Research 10p	45pm	+15
26	F.P.	28/1	18/2	370	94	Arlen Elec.	344	−5
90	F.P.	28/1	18/2	125	108	Bellway	125	+5
60	F.P.	8/2	9/3	55	45	Cluff Oil 'B'	48	+3
90	Nil	21/2	7/4	54pm	40pm	Grosvenor Group	42pm	+1
60	F.P.	14/1	11/2	76	65	ICL	76	+1
46	Nil	14/2	11/3	14pm	5pm	LCP	14pm	.....
27	Nil	21/7	7/4	5½pm	5pm	Mount Charlotte 10p	5pm	.....
93	F.P.	7/2	21/3	120	106	NSS News 10p	120	.....
58	F.P.	8/2	29/4	68	61	Stakis 10p	68	.....
470	F.P.	11/1	11/2	617	583	Wolseley-Hughes	610	−7

Renunciation date usually last day for dealing free of stamp duty. Fr French France. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. r Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Atlantic and Anglo agree bid terms

By Ray Maughan

TWENTY-ONE MONTHS after Atlantic Metropolitan Corporation first announced its intention to bid for Anglo Metropolitan Holdings, known formerly as Bank and Commercial Holdings, the two sides have agreed on the terms of a £5.3m cash deal.

Atlantic, once called First Pennsylvania Mortgage Trust, has now abandoned its plans to bid on all equity basis, which was the cause of so much delay, and introduced instead terms comprising £90 in cash for ervery 100 Anglo shares.

The idea initally had been to offer 123 Atlantic shares for every 100 Anglo shares. Now Atlantic is offering an alternative of £90 nominal of 12 per cent unsecured loan stock.

However this will not be registered with the Securities and Exchange Commission (SEC) under US Securities laws and will thus not be offered to US citizens.

The SEC has indicated that "it will not take any action for omitting registration of this stock provided certain restrictions as to conversion and transfer are in force for a period of 90 days after the bid goes unconditional in all respects.

Last year, Atlahtic exercised an option, assigned by Hallwood Holdings, to acquire a 7.81 per cent stake in Anglo.

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1982-83 High	1982-83 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
138	120	Ass. Brit. Ind. Ord.	138	—	6.4	4.6	8.1	10.5
155	117	Ass. Brit. Ind. CULS	155	—	10.0	6.5	—	—
74	57	Airsprung Group	69	+1	6.1	8.8	7.8	13.5
46	35	Armitage & Rhodes	35	−1	4.3	12.3	3.9	6.9
298	197	Bardon Hill	296	+2	11.4	3.8	12.5	16.8
133	100	CCL 11pc Conv. Pref.	132	+2	15.7	11.9	—	—
270	240	Cindico Group	240	—	17.6	7.3	8.7	10.8
86	54	Deborah Services	54	—	6.0	11.1	3.6	9.6
80	77	Frank Horsell	80	—	—	—	6.7	7.2
79	79½	Frank Horsell Pr Ord 87	79	—	8.7	11.0	8.6	7.1
83	61	Frederick Parker	66	—	6.4	9.3	3.5	8.7
55	35	George Blair	35	—	—	—	6.1	12.7
100	74	Ind. Precision Castings	74	—	7.3	9.9	9.5	11.9
141	100	Isis Conv. Pref.	141	+2	15.7	11.1	—	—
128	94	Jackson Group	128	—	7.5	5.8	2.9	8.2
185	111	James Burrough	185	+2	9.6	5.2	13.5	15.0
260	168	Robert Jenkins	170	−2	20.0	11.8	1.9	27.0
83	54	Scruttons "A"	73	—	5.7	7.8	9.5	11.4
167	114	Torday & Carlisle	114	—	11.4	10.0	5.1	8.8
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	71	Walter Alexander	71	—	6.4	9.0	5.1	7.3
259	214	W. S. Yeates	259	+2	14.5	5.6	6.8	13.6

Prices now available on Prestel page 48146.

"TURNOVER OF £3,000,000,000 SHOWS THE MAGNITUDE OF LONRHO OPERATIONS"

R.W. Rowland, Chief Executive

Dear Shareholder,

The best feature of the year for the Lonrho Group has been the healthy resilience of many of the wholly owned trading subsidiaries, and their ability to sell and even increase sales against the background of recession.

Most difficult were the ultra-depressed commodity prices during the year, which affected sugar, platinum, palladium, nickel, coal and gold. This cut heavily into the revenues from the Group's major producers and the contribution from commodity based activities fell by some £34 million, which is virtually all of the reduction in Profit before Tax. Improved production and cost cutting took some of the sting out and I am glad to say that the current year already looks a lot better for commodities generally.

Your Board have given careful consideration to the final dividend. Our strong asset position and the prospects this year and beyond offer adequate encouragement to our wide interests, and the overall dividend of 9p is therefore unchanged.

Lonrho's worldwide operations, employing 150 thousand people, have had mixed results during the continuing depression. This year, in the United Kingdom, we avoided several thousand job cuts in Lonrho's heavy manufacturing, engineering and textile subsidiaries. Strength overseas has helped us sustain these companies, their management and men, and keep loss of jobs to a minimum. Some ailing companies show good signs of returning to profitability.

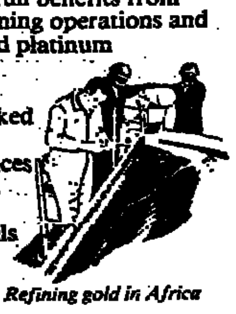
The recovery signs for the current year are strong, based on the improved *precious metals* prices, *lower world* interest rates and the improving performance of commercial activities. If these factors continue for the full year to September 1983, and barring any significant and unexpected movement in the major trading currencies, I have every hope of reporting profits for the current year of over £100 million.

The Group's balance sheet remains strong with net assets per share of 205p. Gross assets have increased by £100 million to £1·78 billion; total net borrowings, excluding those from confirming businesses, are 50 per cent. of total assets employed; the increase in borrowings is due mainly to new investments of £55 million and capital expenditure of a further £90 million. The principal acquisition was the half of Princess Properties which we did not already own. Capital expenditure includes the cost of increasing gold and platinum production and of completing extensions for the Princess and Metropole Hotels. Except for our valuable interest in Eastern Gold Holdings all our major capital projects are now completed and income producing.

Mining

Metal prices were very weak during the year but higher output helped. Total Group gold production was increased from 382,000 ounces to 406,000 ounces. We also raised platinum group metal output from 134,000 ounces to 157,000 ounces. However, this extra platinum production did not reach the market as saleable refined metal until early in the current financial year and therefore did not affect last year's profit.

Now that expansion programmes have been successfully concluded, we should enjoy the full benefits from increased gold mining operations and from the expanded platinum facilities in the current year. Provided the marked improvement in precious metal prices since August 1982 is sustained, the higher output levels should come through significantly.


Refining gold in Africa

There are large tonnages of chromite available as a by-product at negligible extra cost from the new platinum reef now being worked. Feasibility studies for its sale are encouraging, even assuming current depressed market conditions and selling prices.

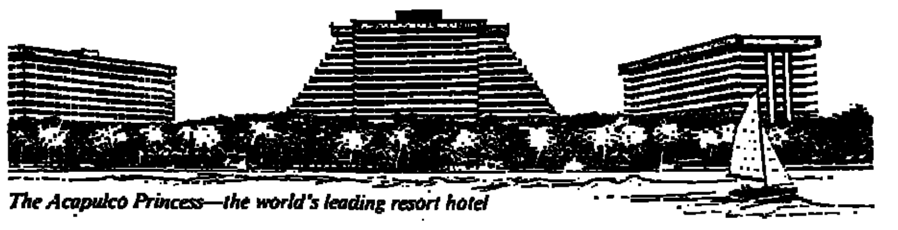
Our subsidiary's 36% interest in the development of Eastern Gold Holdings, with the Anglo American Corporation, is important to the future of our mining division. The mine, *when in operation, is planned to* produce about 400,000 ounces annually. Bituminous coal sales were maintained at last year's record level of 3 million tonnes and profits were reasonable. Anthracite, on the other hand, has been in over supply.

Your Company also continues to mine copper and nickel.

Agriculture and Ranching


Crop spraying in Zambia

The results of our seven sugar estates, which year after year have solidly contributed over £10 million to Group profits, have been affected by the severe fall in world sugar prices during the year and have shown a small loss. Every effort has been made by these estates to reduce operating costs and improved efficiency has resulted in a small increase in overall production.


The Acapulco Princess—the world's leading resort hotel

In Malaŵi, our tea estates produced a good crop of over 4·2 million kilogrammes and returned to profitability. We have also diversified into growing coffee and macadamia nuts in that country.

Our farming company in Zambia, Kalangwa Estates, had a successful year with the bulk of its profits coming from sales of irrigated crops, livestock and poultry, principally for the markets in the capital city.

In Kenya profits from the sale of wattle extract remain sound, despite a drop in overall production due to a fall in bark supplies from private growers. The wheat crop was well above average, but costs increased due to unseasonable weather at harvest time.

In Zimbabwe we ranch large herds of beef cattle, and also grow coffee, pines and wattle. During the year the Group sold 23,000 head of cattle, with the average total herd being 100,000 head.

Lonrho and its subsidiaries are Africa's largest food producers, ranching and farming over 1·5 million acres throughout the continent.

Hotels

The Princess Hotels are now wholly owned by Lonrho. The Acapulco Princess group with its 2,000 rooms and 2 full-sized, championship rated golf courses is a magnificent tropical complex which is unchallenged as the best resort hotel in the world. The Princess Hotels were ahead of their major competitors in all locations except San Francisco.

The Metropole Group of hotels opened the Pembroke Hotel in Blackpool very successfully this year and we have kept our prime position in the United Kingdom conference and exhibition field. The 600 room London Metropole maintained 82% occupancy. The Group's tourist hotels in Africa and Mauritius are individually run, with a general policy of expansion and improvement.


The Metropole Hotel in Brighton

The Casino division has expanded and with the refurbishments which have taken place, is well placed to improve substantially its contribution to the trading profits.

Skytrain

Lonrho has formed a partnership with the energetic and original Sir Freddie Laker in a direct sales package holiday company, which began its marketing campaign just before Christmas.

Property

London City & Westcliff Properties and A.V.P. Properties, our property investment companies, have had a good year. Together with Lonrho, these companies own a diverse portfolio of commercial, industrial and residential properties in England and France, which have a current value in excess of £70 million. The gross rental income from these properties is over £5 million and has increased by 8% in the year.

John Holt Investments, the Nigerian investment and property company, achieved good profits for the fifth year in succession. The properties are increasing in value with the growth of Nigeria.

Department Stores

Lonrho remains a 30% shareholder of House of Fraser, Britain's largest chain of department stores. Our bid to take it over in 1981 was disallowed upon the recommendation of the Monopolies and Mergers Commission. Subsequently we applied to the Secretary of State for Trade and the Office of Fair Trading to be released from the undertakings which we gave at that time. Lonrho considers that all shareholders' interests will best be served by the demerger of the very profitable Harrods store from the House of Fraser group, which we have successfully suggested at a shareholders' meeting of that company and which Lonrho is pursuing.

Wines, Spirits and Beers

Whyte & Mackay Scotch whisky had another successful year. It continues to be the number one take-home brand in Scotland and sales volumes in the United Kingdom increased substantially. In export markets, very satisfactory progress was achieved in France and Canada.

At Ashe & Nephew, turnover increased by 20% to a record of £60 million, through their 325 retail off-licences.

In Bordeaux the wine shippers, Louis Eschenauer, and our vineyards, Châteaux Rausan-Segla, Smith-Haut-Lafitte, La Garde and De La Tour flourished, increasing both turnover and profits in spite of generally difficult trading conditions. The 1982 vintage has been of exceptional size and current indications are that it will also be of good quality.


Wines supplied by Louis Eschenauer

The Lonrho Group operates 19 breweries in partnership with African Governments and Municipalities. This year two new breweries will be opening in Malaŵi producing traditional low-alcohol, high-protein beer.

We hold the Pepsi Cola franchise in Nigeria where bottling plants at Kano and Kaduna sold over 6 million cases. We also hold the Coca Cola franchise in Zambia.

Textiles

Based at Cramlington in the United Kingdom, Lonrho Textiles' 'Accord' range continued to increase its market share and is the number two brand label in the bed-linen market. The Brentfords chain continued to expand and now has 60 shops and 60 in-store concessions.

Besco Baron manufacture domestic and industrial cleaning cloths and are making a useful contribution to the Lancashire based David Whitehead *textile operations. The management* services division of Whiteheads provide purchasing and consultancy services to overseas textile companies.

In Malaŵi, demand for David Whitehead local production of cotton cloth was generally strong throughout the year. The company continued to export within Africa and elsewhere. David Whitehead (Malaŵi) sold a record 34·9 million yards of cloth during the year, nearly a third of which was exported. A polyester cotton facility is being installed and also a waste-recovery plant. In Zimbabwe, David Whitehead increased production to over 21 million metres of cloth following an extensive capital expenditure programme.

Printing and Publishing

The Observer newspaper, which we have owned now for over a year, achieved second place in the quality Sunday newspaper market in the spring of 1982 and maintains this position with an average circulation of 835,000 copies.

Throughout the year, advertising and circulation facilities of our 26 provincial newspapers were affected by the persistent recession, and a review of both George Outram and Scottish & Universal Newspapers was undertaken, by which large economies were achieved. The Atlantic Richfield Company of California is a 20% shareholder in Outram.

The Glasgow Herald, the oldest *established national daily newspaper in* the English speaking world, celebrated 200 years of continuous publication in January, 1983. During 1982 Outram journalists won 4 Scottish Press Awards.

The profit performance of the Harrison Group since acquisition is *most* encouraging and augurs well for the future. During the year, Harrison & Sons printed 14 billion postage stamps for 120 countries and continues to be the main supplier of stamps to the British Post Office.

The financial and security printing companies have continued a planned policy of rationalisation and, following the investment by Daniel Greenaway & Sons in a new computerised photo-typesetting system, we have amalgamated Greenaway with Harrison & Sons (London), part of the Harrison Group, to form the largest Report and Accounts and security printers in the United Kingdom. This new company is called Greenaway-Harrison Ltd.

Results from Holmes McDougall were adversely affected by continuing cut-backs in local government budgets, and by a long inter-union dispute.

Stamp to commemorate The Mary Rose —by Harrisons

YEAR AT A GLANCE	1982	1981 restated
Turnover	£3,008·9m	£2,415·4m
Profit before tax	£75·1m	£111·6m
Profit attributable to shareholders before extraordinary items	£20·0m	£35·3m
Net assets per share	205p	186p

Balance Sheet at 30 September 1982

	1982 £m	1981 £m
FUNDS EMPLOYED		
Share capital	65·50	65·46
Reserves	471·51	422·71
Equity interest	537·01	488·17
Minority interests	111·09	213·10
Deferred tax	2·94	·75
	651·04	702·02
Loans	403·45	342·87
	1,054·49	1,044·89
ASSETS EMPLOYED		
Fixed assets	758·98	669·48
Associates	197·56	189·09
Investments	43·41	43·38
Net current assets	54·54	142·94
	1,054·49	1,044·89

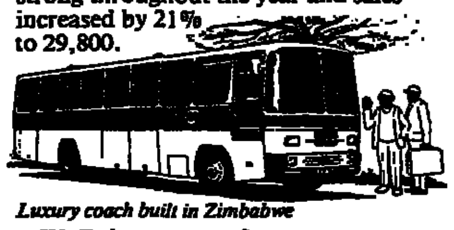
Engineering, Steel and Manufacturing

Our group of engineering companies made a contribution to pre-tax profits for the year, all the more creditable because of the difficulties they had to overcome.

Hadfields achieved a remarkable turn-around from appalling losses to profit following the reorganisation completed in June 1981. Steel making productivity has improved by 48% per shift during the last 12 months. There have been a number of notable cost reduction achievements in the utilisation of gas, electricity and electrodes.

Firsteel of Walsall is a market leader and an efficient producer of cold rolled strip. To counter the serious downturn in demand for coated strip in the home market, exports of coated strip were increasingly pursued in the year resulting in an increase in export sales of 200% over the average of the preceding 4 years. Lightfoot Refrigeration had a good year and secured sizeable export contracts for refrigeration equipment. Charles Roberts Engineering is currently supplying road tankers to the Ministry of Defence. N.D. Engineering *returned substantially to profit* during the year and completed several significant overseas contracts.

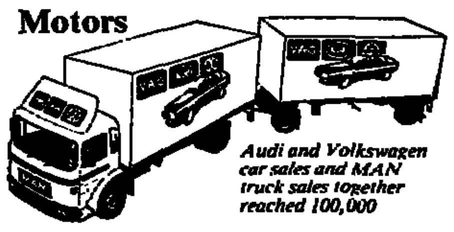
Our furniture companies weathered the financial year reasonably well. In August and September orders reached the highest level since the onset of the recession. Over the year as a whole performance in Homeworthy and T.R.F. Pland improved and Hopkinson maintained their strong market position. In Nigeria, outboard engines sold exceeded 10,000 units and 255 fibre-glass boats were built. The demand for small generators was strong throughout the year and sales increased by 21% to 29,800.


Luxury coach built in Zimbabwe

W. Dahmer, one of our most successful companies in Zimbabwe, attained exceptionally good results. The company is well established in the local market with sales of 303 buses and 203 trucks during the year. The new vehicles are designed within the company to meet local conditions and look likely to be a sizeable export for Zimbabwe. Our other engineering and manufacturing companies in Zimbabwe, Zambesi Coachworks and Crittall-Hope, also performed well.

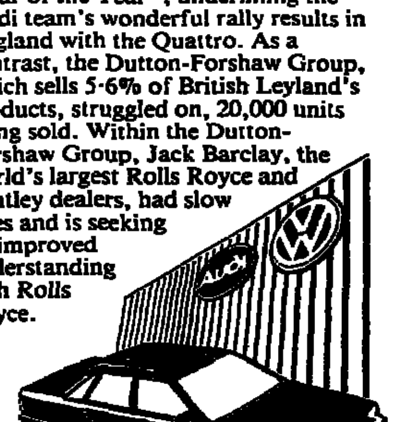
In Belgium we have won a major contract for our exclusive 'Aqua pac' water treatment plant with orders from Cameroon and Nigeria.

Motors

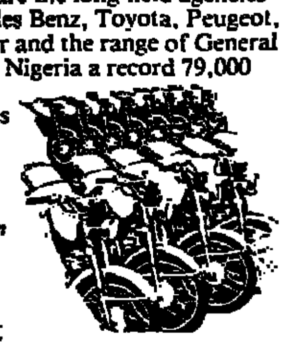

Audi and Volkswagen car sales and MAN truck sales together reached 100,000

At V.A.G (United Kingdom), Audi and Volkswagen vehicle sales for the year were 100,000 units. This is approximately 6% of the car market in Britain and makes us the leading *importer of European cars.*

In the forthcoming year, we believe that sales of the new Audi 100 will be very strong, as it has just been voted "Car of the Year", underlining the Audi team's wonderful rally results in England with the Quattro. As a contrast, the Dutton-Forshaw Group, which sells 5·6% of British Leyland's products, struggled on, 20,000 units being sold. Within the Dutton-Forshaw Group, Jack Barclay, the world's largest Rolls Royce and Bentley dealers, had slow sales and is seeking an improved understanding with Rolls Royce.


The Audi 100— Car of the Year in 1983

In those African countries where the Lonrho Group is established, we are agents and distributors for a very varied range of motor vehicles and agricultural machines. Significantly profitable are the long-held agencies for Mercedes Benz, Toyota, Peugeot, Land Rover and the range of General Motors. In Nigeria a record 79,000 Yamaha motorcycles were sold.


Record sales of Yamaha motorcycles in Nigeria

Aircraft

We hold the Beechcraft franchise and sold 76 aircraft in Africa during the year. The Group owns or leases a total of 48 aircraft including 2 Gulfstreams and 2 Boeing 707's. Tradewinds Airways became the only all-freight jet aircraft operator left in the United Kingdom, with both British Airways and British Caledonian withdrawing from this market. Survival was Tradewinds' most conspicuous achievement.

Forwarding and Warehousing

We continue to be 50% partners in the long-established firm of Kühne & Nagel, the best known and largest European handlers and forwarders. With headquarters in Hamburg, *Kühne & Nagel own a huge network of* modern warehouses, port and freight terminals in Western Europe, Canada and elsewhere employing 10,000 people, together with their own offices in 80 countries.

Pipeline

Agreement has now been reached with the Governments of Zimbabwe and Mozambique on a long term tariff structure. Dr. Simba Makoni, Minister of Industry and Energy, stated in the Zimbabwe Parliament on 20 January:

> "this pipeline has demonstrated its versatility... in practice we have benefited much more from the use of this pipeline than we would by any other means. I would like to state categorically... this pipeline is an essential strategy to my programme of fuel transport".

The pipeline took 5 years to negotiate, 2 years to build through Mozambique and we started to pump in February 1965. After 10 months, we closed the line in compliance with the British Government's sanctions against Rhodesia. Your Company then had to maintain the pipeline for 15 years. After the independence of Zimbabwe, we were asked to *recommission the line and to pump* refined products rather than crude. We commenced pumping on 19 June, 1982 after investing some U.S.$20 million in its rehabilitation.

Export Confirming and Broking

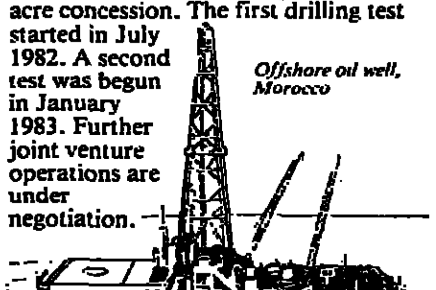
International finance by Balfour Williamson was affected by the stagnation of the economies of many countries with which it deals and the company therefore embarked on a cost cutting exercise.

The volume of exports sustained by John Holt to West Africa continued at *the same level* as for 1981, although towards the end of the year the downturn in Nigeria, because of the drop in oil sales, began to affect orders received.

On a weak international market, our raw cotton broking firm, Baumann Hinde & Co., traded 45,000 tonnes.

Oil Exploration

Lonrho, in partnership with Atlantic Richfield and Amoco, are participants in an oil exploration programme offshore Morocco covering a 1·1 million acre concession. The first drilling test started in July 1982. A second test was begun in January 1983. Further joint venture operations are under negotiation.


Offshore oil well, Morocco

Conclusion

1981/1982 has had its disappointing side; four major commodities mainly accounted for the difference in this year's results. Almost all our other operations were able to hold or improve their position. We cannot dictate commodity prices, some of which are showing good recovery and this year's unusual results gave us an opportunity to take a very hard look at the return on assets and the condition of individual businesses and to consider disposals. Turnover for the year of £3,000,000,000 shows the magnitude of your Company's operations and although I am strongly mindful that the year's profits do not measure up, overall the Company is in very good health.

The recent death of Sir George Bolton, K.C.M.G., was an immense loss to this Board. His forthright guidance was a constant source of inspiration to all of us and we miss him very much.

Your Board, management and employees here and overseas have applied themselves with vigour to every aspect of Lonrho's business, with great hopes of profit improvement and better times in 1983.

Yours sincerely,
Tiny Rowland

The seventy-fourth Annual General Meeting of Lonrho Plc will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Friday, 25th March, 1983 at 12 noon.

LONRHO

Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.

The text is taken from the Chief Executive's Review contained in the 1982 Report and Accounts which will be published in late-February. Copies will be available from The Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.

UK COMPANY NEWS

George Dew profits at £2.5m

BY OUR FINANCIAL STAFF

GEORGE DEW, the civil engineering and building group, turned in pre-tax profits of £2.54m, on sales of £27.45m, for the 12 months to October 30 1982, but results for the current year are not expected to match those now reported.

For the period from March 6 1981 to November 1 1981, the respective profit and sales figures were £0.51m and £3.81m.

George Dew was formed as a result of a management buy-out – and subsequent placing – of G. Dew & Company from the Dutch parent, Royal Volker Stevin.

Comparative figures cover the period from the incorporation of the company and incorporate trading from September 25 1981 (the date of acquisition of G. Dew & Company) only.

For the 12 months ended November 1 1981, the group as previously constituted, made pre-tax of £3.24m from sales of £32.47m.

The directors have previously pointed out that a moving average of results over several years would be more representative of the performance of the group than the result of a single year.

The average pre-tax profits for the three years 1979–82 amounted to £2.66m, compared with a corresponding average of £2.27m for the three years 1978–81.

Earnings per 25p share are given as 28p for the 12 months to the end of October. A final dividend of 3.4p makes a net total of 5.7p per share for the year (3.4p for the period from March 6 to November 1 1981).

Attributable profits for the year were £2.21m (£307,000 from March to November, 1981). Tax took £298,000 (£199,000) and there was an extraordinary debit of £30,000 this time. Dividends absorb £456,000 (£272,000).

Anderson drops legal battle against takeover

BY RAY MAUGHAN

ANDERSON Strathclyde, the Glasgow-based mining equipment manufacturer, has abandoned its legal battle to stop a renewed takeover bid by Charter Consolidated.

Anderson announced yesterday that it would not appeal against the High Court's refusal last week to quash the decision by Mr Peter Rees, the Minister for Trade, to allow Charter to make a new offer.

Charter's first approach, worth £64m or 135p per share, was halted early last June by a reference to the Monopolies and Mergers Commission, which recommended by a majority that such a deal would be against the public interest. Mr Rees overruled that recommendation and the courts last Friday rejected Anderson's contention that he was legally bound to accept it.

Shares in Anderson climbed 4p yesterday to reach a record 184p as the Takeover Panel imposed a two-week time limit on any new approach from Charter.

The industrial and mining investment group is set to hold a monthly board meeting on February 22.

Aaronson recovers in second half

BY OUR FINANCIAL STAFF

A SHARP REVIVAL in second-half profits has been produced by Aaronson Brothers from £99,000 to £415,000, which raises the pre-tax surplus by £407,000 to £950,000 for the year to September 30 1982. Sales of this veneer merchant moved ahead from £61.76m to £71.56m.

The current year has started with improved sales and margins, the directors say. The recent weakening of sterling should help make the company's products more competitive, they say, both at home and overseas.

In view of this, the directors anticipate an improved outcome for the current year.

At the halfway stage, the directors had stated that the effect of actions taken had halted the previous decline in profitability, and anticipated that the first half trends would continue.

The net final dividend has been held at 0.6p, which maintains the year's total at 1.2p. Earnings per 10p share were given as 1.74p against previous losses of 0.76p.

In order to facilitate further expansion and to extend the company's range, the directors say that the plastic bathroom accessories production unit was transferred in November from Lancashire to a factory in Hertfordshire.

This move is expected substantially to improve efficiency. The company is also producing a new type of tiled board from the Laconite division, which will have a special emphasis on bathrooms.

At the year-end, bank borrowings were about £1m lower than a year earlier, and the directors say the improving trend has continued.

At the operating level, profits improved from £1.93m to £2.76m. Interest payable amounted to £2.17m, compared with £1.76m, and associate losses took £35,000 (£55,000). There was also interest receivable of £387,000 (£426,000).

Tax took £203,000 (£508,000) and extraordinary debits were much reduced from £1.45m to £38,000, to cover goodwill written-off and redundancy payments.

Scottish Agricultural improves to £4.7m

BY OUR FINANCIAL STAFF

AN OVERALL "encouraging improvement" over 1981 enabled Scottish Agricultural Industries to increase its profits to £4.7m pre-tax for the 1982 year, an advance of £596,000 on those of the previous 12 months.

Figures for the second half rose from last time's £2.33m to £2.93m, although the directors warn that fertiliser profitability is not at a level high enough to be consistent with a healthy long-term UK fertiliser industry – the group's activities are almost entirely concerned with products used in agriculture, horticulture and forestry.

The dividend for 1982 is being stepped up from 14.75p to 16.5p net per £1 share by an increased final of 10.75p, compared with 9p. Imperial Chemical Industries (ICI) owns 62.4 per cent of the group's shares.

Sales for the year under review expanded from £102.18m to £114.32m. Depreciation rose to £1.08m (£953,000), tax took more at £1.76m, against £1.4m previously, and there was a transfer from the Government Grants account of £182,000 (£190,000).

A major contribution to the higher profit came from reduction in *fixed costs arising from rationalisation* of production of some fertiliser intermediates and from the continued improvement of productivity in production, selling and administration.

Levels of demand were encouraging, but the fiercely competitive market led to further erosions of margins. Nevertheless, profits from seeds, horticultural products, agrochemicals, animal health and animal feed products all showed some increase over 1981.

RESULTS IN BRIEF

■ ANGLO AMERICAN SECURITIES

Investment trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	5.16m	5.4m
Tax	1.99m	1.97m
Dividend	5.1p	5.1p
NAV per share	*239.89p*	*182.31p*

■ DALE ELECTRIC INTERNATIONAL

Manufacture of generators and auxiliary power units

Half-year to Oct. 31	1982	1981
	£	£
Sales	19.06m	— —
Pre-tax profit	1.02m	301,000
Tax	325,000	— —
Attributable profit	680,000	257,000
Earnings per share	5.12p	2.13p
Dividend	1.2p	0.7p

■ F & C ENTERPRISE TRUST

Investment Trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	115,110	125,326
Tax	45,750	69,297
Dividend	0.8p	0.4p
NAV per share	23.8p	18.5p

■ TSL THERMAL SYNDICATE

Manufacturer of vitreous silica, fused magnesia and oxide ceramics

Year to Oct 31	1982	1981
	£	£
Sales	12.31m	14.07m
Pre-tax profit	637,425*	508,626
Tax	46,000†	7,000
Attributable profit	— —	— —
Earnings per share	— —	— —
Dividend	1p	7p

* *loss*; † credit

■ UNITED REAL PROPERTY TRUST

Half-year to Oct 5	1982	1981
	£	£
Sales	1.86m	1.57m
Pre-tax profit	857,000	830,000
Tax	376,000	479,000
Attributable profit	— —	— —
Earnings per share	— —	— —
Dividend	1.5p	1.25p

A new way to look at life

Quite a few things are going to change over the next ten years or so, and one of them is certain to be your way of looking at Life.

Like ordinary Life Assurance policies, our Plan-for-Life brings security to your dependants and investment for your own future.

The big difference is that when your needs change, and they certainly will at some stage, your Plan-for-Life can be changed accordingly.

Each year you can vary the balance between security and investment. You can increase your family's financial protection in line with inflation. You can 'manage' your investment in keeping with current trends, if you so wish.

This degree of flexibility is the essence of our Plan-for-Life and you will find that we have some equally exciting ideas about Pension and Retirement Planning as well.

It is all part of what we call 'A new way to look at Life'.

For details write to: B. J. Bluck

British National Life Assurance Company Limited
British National House, Harlands Road, Haywards Heath, West Sussex RH16 1TD.
Telephone 0444 414111 Telex 877080

Life with British National

Espley-Tyas

"1982 - a good year for Espley-Tyas"

R. A. Shuck (Chairman & Chief Executive)

* 21% increase in pre-tax profits to £2,765,000.
* Group turnover was £51 million.
* Dividends total 6p per share.
* Net worth up from £10 million to £22.5 million after acquisition of Howard Tennens Services plc.
* Gross assets further increased to £79 million compared with £20 million at time of share placing debut in February 1981.

Highlights from the Chairman's Statement

* **PROPERTY DEVELOPMENT AND INVESTMENT** – major expansion in terms of value, geographic locations and range of properties to be provided.
* **CONSTRUCTION COMPANIES** – have contributed significantly to the profitability of the Group.
* **HOUSING DIVISION** – restructured, enabling it to operate more effectively covering England and Wales.
* **OVERSEAS** – substantial strengthening of the Group's overseas property activities.

"We continue to seek out new opportunities, both within the United Kingdom and overseas and . . . we expect further progress within each division to be achieved during 1983. Certain major property projects where progress has been achieved in the current year will contribute to profits in 1984."

Copies of the 1982 Report and Accounts containing the Chairman's Statement and a review of the Group's activities are available from:– J. M. O'Connor, Esq., Espley-Tyas Property Group plc, Elizabeth House, Westbourne Road, Edgbaston B15 3TR.

ET

Espley-Tyas Property Group plc

AARONSON BROS. P.L.C.

Manufacturers and Distributors of Contiboard, Contiplas, Aroplas, Melinate and Spanboard board products, wood veneers, Armaflex edging materials, Laconite wall boards, tiles and bathroom fitments

STATEMENT OF TRADING RESULTS

YEAR ENDED 30TH SEPTEMBER, 1982

(Subject to Final Audit)

	1982 £'000	1981 £'000
Group Turnover	71,564	61,764
Profit on Ordinary Activities before Taxation	950	543
Profit on Ordinary Activities after Taxation	747	35
Profit/(Loss) for the Year attributable to Shareholders	506	(1,560)
Dividend per Ordinary Share of 10p each	1.20p	1.20p
Earnings per Ordinary Share of 10p each	1.74p	(0.76p)

The Group's turnover increased by 15% despite the extremely difficult world-wide trading conditions. The strength of sterling especially against the European currencies which allowed competitive goods to be imported at unrealistic prices continued to effect profit margins.

The Board is recommending a final dividend of 0.6p per Ordinary Share, making a total for the year of 1.2p per Ordinary share (1981 – 1.2p). Dividend warrants will be posted on 5th April, 1983 for payment on 7th April, 1983, to all ordinary shareholders on the Register at the close of business on 11th March, 1983.

The current year has commenced with improved turnover and margins compared with the previous year. The recent weakness of sterling should assist and have the effect of making our products more competitive both in the Home and Export markets. In view of this, the Directors anticipate an improved outcome for the current year.

Johannesburg Consolidated Investment Company, Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER, 1982

The following are the unaudited consolidated results of the Company and its subsidiaries:

	Six months ended 31.12.82 RM's	Six months ended 31.12.81 RM's	Year ended 30.6.82 RM's
Profit before taxation	58.4	62.4	109.5
Taxation	6.1	9.0	14.8
Profit after taxation	52.3	53.4	94.7
Outside shareholders' portion of profit (loss)	(0.7)	0.7	0.2
Profit before extraordinary item	53.0	52.7	94.5
Derived from:			
Income from investments	35.3	33.3	64.8
Profits of operating subsidiaries	6.3	13.0	22.8
Surplus on realisation of investments	2.0	—	—
Other net revenue	9.4	6.4	6.9
Preference dividends	4.3	4.1	8.4
Profit attributable to ordinary shareholders before extraordinary item	48.7	48.6	86.1
Extraordinary item	—	—	0.5
Profit attributable to ordinary shareholders after extraordinary item	48.7	48.6	85.6
Ordinary dividends	9.5	9.5	43.8
Retained profit	39.2	39.1	41.8
Net asset value per share (based on market valuations and directors' valuations in respect of unquoted investments)	R180	R140	R163
Number of ordinary shares in issue	7,312,800	7,299,600	7,299,600
Earnings excluding surplus on realisation of investments	R46.7M	R48.6M	R86.1M
—per share	639c	130c	1,189c
Dividends declared	130c	672c	600c

NOTES:

(1) The decrease in attributable profits from the operating subsidiaries arises from a loss incurred by Lennings Limited after providing for certain abnormal items. It is not anticipated that any further write-offs will be required in the current financial year.

(2) In terms of the provisions of the Share Incentive Scheme, as amended, 13,200 *ordinary shares were allotted to nominated executives of the Company* at the middle market price prevailing on 12th November, 1982.

On behalf of the Board
G. H. WADDELL
F. J. L. WELLS
Directors

Head Office and Registered Office:
Consolidated Building
Corner Fox and Harrison Streets
Johannesburg 2001
(P.O. Box 590, Johannesburg 2000)

10th February 1983

PYKE (HOLDINGS) PLC

(Catering butchers)

Salient points for the 15 months to 30th September 1982 by P. Garner, Chairman and Managing Director.

* During the fifteen month period now under review the company made a pre-tax profit of £305,947. This profit was achieved after absorbing the significant costs of the reorganisation following the acquisition of G. W. Biggs (Harrow) Limited.
* In the light of these results the Directors are recommending a dividend of 2.5p per share.
* Our recent acquisition is expected to produce significant operational advantages and financial economies for the enlarged group.

Comparative results	15 months ended 30.9.82 £000	Year ended 30.6.81 £000
Turnover	18,151	7,743
Profit before tax	306	5
Profit after tax	309	5
Proposed final dividend	24	—
Retained profit for the period	265	5
Final dividend per share net	2.5p	—
Earnings per share of 10p	13.70p	0.38p

Copies of the Report and Accounts are available from the Secretary, Pyke (Holdings) PLC, 144-146 New Bond Street, London W1.

BROOK HOUSE

A strategically located office building of 4,500 sq ft on the borders of Kensington and Hammersmith.

AVAILABLE NOW

Debenham Tewson & Chinnocks

01-408 1161

Results	12 months 30th Sept. 1982	*15 months 30th Sept. 1981*
	£	*£*
Turnover	25,416,965	*31,064,974*
Profit before taxation	337,545	*133,063*
Dividends	230,000	*226,498*

Extracts from the Chairman's Statement.

The increase in profits has been entirely due to reduction in operating costs and increased productivity.

Our new wholly owned subsidiary Burns-Anderson Trust Company Limited was granted a licence to take Deposits under the 1979 Banking Act on the 16th December, 1982.

ba

Burns-Anderson PLC
9 St. John Street, Manchester M3 4DN.
Telephone: 061-832 8484. Telex: 666116.

DALE

PROGRESS DESPITE DIFFICULTIES.

Turnover up 44%. Trading profit up 114%. Interim dividend up 80%.

Chairman Leonard H. Dale C.B.E. reports:

"Last year's growth has continued into the first half of current year. Recovery prospects look strong. Market place, however, far from buoyant but fine team and prudent housekeeping has enabled adjustment to needs of successful recessionary trading.

All Group companies in profit with exception of W.E. Conyers Ltd., for whom a buyer found under whose influence it should prosper.

Minority holding in Mexico company shows break-even on trading despite serious economic problems there.

Assembly operation in Thailand to be opened in April to develop new market at smaller end of Dale range.

Forward view for remainder year positive but we are conscious that we trade in increasingly turbulent times. Delighted that interim dividend can be increased from 0.7p to 1.2p."

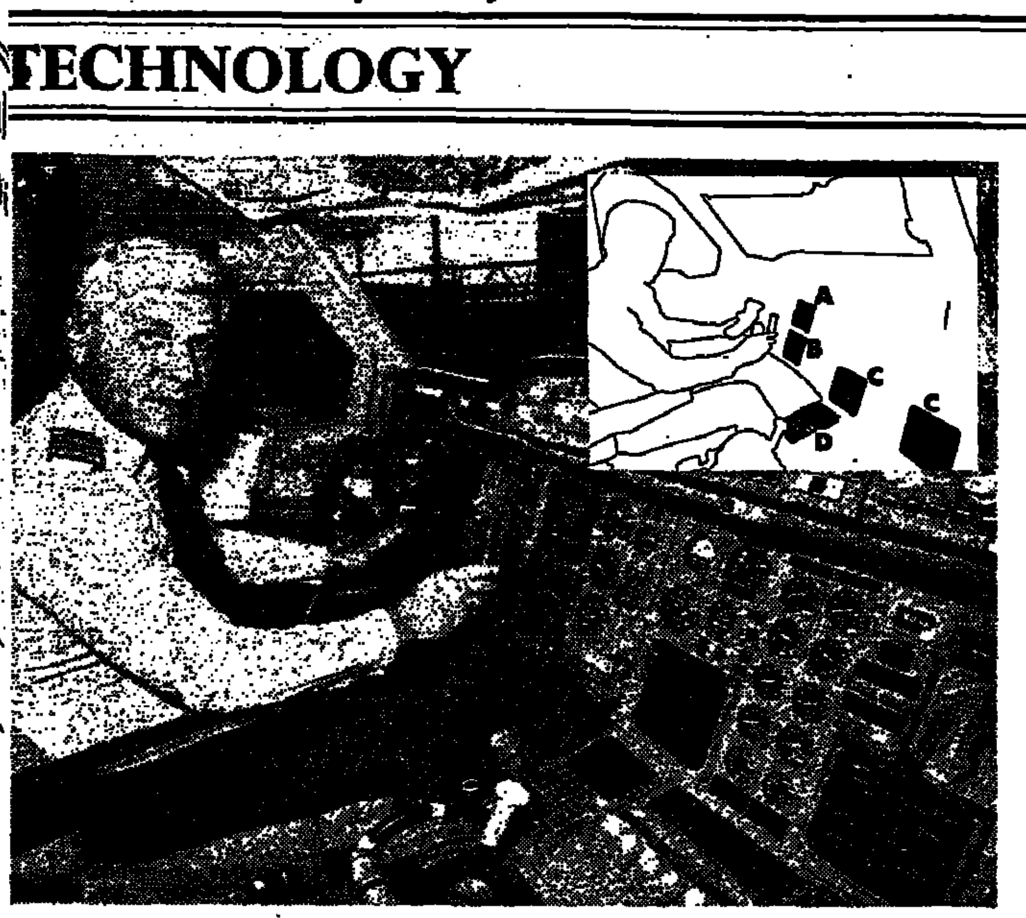
The figures:	6 months to 31st October 1982 £	6 months to 25th October 1981 £	12 months to 2nd May 1982 £
Turnover	19.07m	13.2m	31.4m
Trading Profit	1.4m	0.6m	1.9m
Pre-tax Profit	1.02m	0.3m	0.9m
Dividend per share	1.2p	0.7p	3.0p

For copies of the Interim Report, please write to the Company Secretary, Dale Electric International p.l.c., Electricity Buildings, Filey, Yorkshire YO14 9PJ

Generating sets · Aerospace ground power units · Battery power systems.

TECHNOLOGY

EDITED BY ALAN CANE



Flight deck of the future in new generation airliners

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TV and the microchip have come to the flight decks of the new generation of jet airliners now entering service for the first time.

The Boeing 767 twin-engined airliner, which entered U.S. airline service last autumn; the new, smaller Boeing 757 twin-jet which entered service with Eastern Airlines in January and British Airways this week; and the new A-310 Airbus, also a twin-engined jet, which enters service this spring with Lufthansa and Swissair, all have one thing in *common—what is* variously called a "glass cockpit" or "the flight deck of the future," embodying extensive use of TV screens to display information originally displayed on electro-mechanical dials with pointers.

They also all embody what has been called the "*Forward* Facing Flight Deck"—doing away with the engineer's sideways facing panel, the crew now all sitting facing forward.

This is largely because the new flight decks have been designed for two-man crew operation, against the customary three hitherto, although some airlines will continue to employ three-member crews for union reasons.

But for a two-man crew, the work-loads on the flight deck have been reduced substantially as a result of the introduction of computer-controlled Cathode Ray Tubes which can feature a vast range of information at the touch of a button.

This information, covering the aircraft's compass direction, height, speed, weather information and navigational details, such as the position of radio beacons and distance to destination, can all be displayed graphically in colour, along with details of the functioning of all of the aircraft's myriad systems, both for monitoring purposes and to give warnings of system faults.

The reaction by pilots to the new work-saving technology has generally been favourable, and after simulator training pilots adapt quickly to the new, much less cluttered flight decks, and find them more congenial places in which to work.

The picture shows the flight deck of the Airbus A-310, showing the CRTs displaying flight and navigational information (A and B), the CRTs for systems information (C), and the central control and flight management panels (D).

GOVERNMENT BACKING FOR BRITAIN'S BIOTECHNOLOGISTS

£2m Patscentre pilot plant

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN'S biotechnologists are to have a new £2m continuous pilot plant for large-scale demonstrations of process plant and instrumentation. Financial arrangements for the Government-backed project, to be built near Cambridge, are close to completion.

The plant is the brainchild of Patscentre, research and development arm of PA International, whose innovation contributes about one-third of the income—some £65m total last year—of the group. Patscentre's speciality lies in bringing together multi-discipline teams at short notice to try to exploit a scientific opportunity for a client, or to fill a hole it perceives in the market. It also aims to take its innovation all the way downstream, into production.

Expansion

Biotechnology, initiated at its Cambridge laboratories about five years ago, has grown rapidly—as fast as it has been able to recruit good biotechnologists, says Dr Stuart Excell, divisional director for its European operations. Today this is one of its biggest groups, comparable with telecoms, another fast-growing activity.

Patscentre sees the pilot plant—to be built alongside new laboratories at Melbourn near Cambridge—as the key to successfully selling industry advice in biotechnology. The plant will be backed by an expansion of research in "genetic engineering" in a new suite of laboratories associated with the project. So far, most of its genetic engineering has been done in association with Genentech in California.

Dr Derek Layton, technical manager for biotechnology, believes that progress in instru*mentation to follow biological* processes should share the credit with genetic engineering for the upsurge in industrial interest in biotechnology.

Regulated

Patscentre, with a base in electronics strong enough to be able to devise new products for such research-conscious groups as Bosch and Plessey, is harnessing micro-electronics to cell biology.

Dr Layton sees living cells *not as the sludge in some fac*tory-made soup but as "independent little factories." These cells are making the products of biotechnology. It is, therefore, the cells themselves, not the soup, that must be regulated.

Tinkering with the genetics of a cell often upsets the internal energy balance inside these "factories." For that reason successful grafts of DNA often fail when the cell-breeding processes are scaled up.

One of his aims is a new family of sensors sensitive enough to follow the behaviour of cells. This means, for example, being able to measure temperature changes as slight as 0.05 degrees C. One approach that looks hopeful for following cell changes is to incorporate an *organic membrane layer into a* micro-electronic (MOS) circuit, then embed the type of cell under control into this membrane.

An enzyme, for example, will change shape significantly when it is reacting. These changes will distort the lipid layer in which they are embedded, which in turn will exert forces on the micro-circuit. Such sensors can be calibrated for enzyme reaction rates, Layton claims.

Investment

Stuart Exell sees bio-sensors of this kind as the basis of new product ranges, not only for biotechnology plant control but also for medical diagnosis. Such a sensor could also provide a diabetic with insulin "on demand," as his body required it, instead of in shots. But Exell foresees a major investment to develop such sensors from laboratory concepts into product ranges.

One diagnostic tool they have patented combines an in-house expertise in diffraction gratings Patscentre has already exploited—for example, in information storage and retrieval for Volkswagen and Tricentrol—with the Cambridge discovery of ways of readily making monoclonal antibodies. Each monoclonal antibody is highly specific in its ability to recognise one particular disease-causing antigen that is trying, say, to invade the body.

Patscentre's idea is to coat a cheaply-made plastic diffraction grating with a film of a monoclonal antibody. Then, should it attract the corresponding antigen—say, for hepatitis or herpes—these big protein molecules, attached to the film, will distort *the diffraction pattern and their* presence will readily be apparent using a simple optical reader. *Ideally*, says Layton, the patient will be asked to do no more than "lick this slide," for such a test to be made.

Dr Derek Layton (left) and Dr Stuart Excell

The pilot plant will give Patscentre an opportunity to prove not only a novel process technology — it is researching new genetically engineered organisms to exploit methanol as a chemical industry feedstock —but to develop bio-engineering and bio-instrumentation under contract. Half of the plant will be devoted to the downstream side of the fermenters — water separation, product purification, etc.

The plan is to equip it initially with two continuous fermenters, of 1,000 and 300 litres capacity, designed to P2 containment standards. It leaves space for a third fermenter, however. The fermenters will be under mass spectrometer control from an adjoining suite of laboratories.

Partners in the venture are Matthew Hall, the chemical plant contractor, *anxious to* extend its experience of the design and operation of bio-processes. Of the £2.25m funding estimated, plant is expected to cost £1.4m, the special-purpose building £700,000, leaving £150,000 as working capital for the project.

The latest investment arrangements are that Matthew Hall and Patscentre will each contribute £150,000 in equity capital to a joint venture. Matthew Hall is making a further loan of £550,000, not repayable for two years. The Department of Industry, on the advice of the Government Chemist, Dr Ronald Coleman, is making a further loan. £700,000 of risk capital, repayable as a levy on sales if and when the venture is earning cash in development contracts for industry.

As Dr Coleman sees it, "we've shared the risk." It is the first of several risk-sharing biotechnology ventures the Department of Industry hopes to be able to announce this year.

Data collection

Bar code reader

A BAR CODE reader for use in industrial applications is now being marketed by Intermec UK. Designated the Model 9341, the reader has a 32 character display and a 16 character keyboard. The main uses for this reader is in inventory and production control, shipping and receiving and other shop floor data collection applications. More data on 0734 67331.

Computers

Power filter

A POWER PLUG which incorporates an RFI filter is being marketed for domestic users of micro-computers whose equipment does not have a filter fitted.

The plug enables computers to weather spikes and holes in the domestic supply and costs £15.50 (including post and packing) from Power International, 2a Isambard Brunel Road, Portsmouth, Hants (0705 756715).

A new line conditioner from Gould, costing £49.95, is designed to deal with problems caused by power-line noise as well as mains variations. The Mainstay is *guaranteed to stabilise wide* fluctuations in voltage to well within the normal operating limits of all small computers. Gould are at Rhosymedre, Wrexham, Clwyd (0978 821000).

Memories

IMS single system

NOW available from Harris Systems is a single board memory system which incorporates both controller functions and memory arrays on the same board.

The IMS, as it is called, is available in three memory capacities 384 K bytes, 76 K bytes or 1.5m bytes. The system is mainly designed for incorporation into the Harris H800 super-minicomputer. More information on 0753 34666.

Electronics

Voice synthesis

GENERAL Instrument Microelectronics has introduced a new voice synthesis module designated the VSM 2128-AL2. The company contains a silicon chip which is able through the use of stored sounds to synthesise any phrase in the English language.

The module can be interfaced with any digital system utilising a standard 15 pin card edge connector. Ten TTL compatible signals are used to select the stored allophones. More details can be obtained on Ruislip 33355.

Speech

Scrambled unit

NEITHER CIVIL nor military radio eavesdroppers will find it easy to break into transmissions that are "scrambled" by a new digital speech encryption unit from Racal-Comsec of Salisbury, Wiltshire — even with advanced computer-backed crypto-analysis techniques.

The MA 4263 can be built into most commercially available radios and in the case of hand-held types can be fitted between the radio and its associated battery housing. It is based on four stacked printed circuit boards and includes six custom-built large scale integrated circuit chips. The additional battery drain amounts to no more than 16 milliamps.

Racal says that it has also solved the problem of reduced radio range that often occurs when this kind of encryption is used.

Space

ATMOS testing

A Space Shuttle Spacelab 3 payload instrument known as ATMOS (atmospheric trace molecules observed by spectroscopy) has now completed testing at Honeywell's Electro Optics Division in Wilmington, Massachusetts.

The instrument, an interferomoter-spectrometer is designed to measure the absorption of atmospheric molecules using the Sun as a source and is due to fly on the Space Shuttle early next year.

The data produced will help scientists study the atmosphere between 20 and 120 kilometres with a view to producing a global atlas of the upper atmosphere.

COMPANY NOTICES

NEW KLEINFONTEIN PROPERTIES LIMITED
(Incorporated in South Africa)
SECOND INTERIM REPORT

FINANCIAL

Members were advised by circular issued on 8 December 1982 that the company's year end had been changed from 31 December to 30 June and that the current accounting period had been extended by six months to end on 30 June 1983. This report covers the group's operations and unaudited results for the 12 months ended 31 December 1982.

	12 months ended 31 December 1982 R	Financial Year ended 31 December 1981 R
Profit before tax	551 000	808 000
Taxation	274 000	211 000
Normal	207 000	—
Deferred	67 000	211 000
Net Profit after tax	277 000	597 000
Earnings per Share (cents)	13.8	29.7
Dividend per Share (cents)	5.0	5.0
Dividend Cover (Times)	2.7	5.9

The increase in the effective tax rate, from 16.1 per cent in 1981 to 49.8 per cent in 1982, is due to the utilisation of the substantial assessed loss in 1981 and the restatement of the deferred taxation account in 1982 from the previous rate of 42 per cent to 46.2 per cent. As the company no longer has any tax losses, future tax charges through the income statements should be approximately 46.2 per cent of reported profits.

Although pre-tax profitability has decreased by 32 per cent it will be recalled that the good results for 1981 financial year were largely attributable to the outright sale of portion 178 of the Farm Kleinfontein 67 I.R.

TREATMENT OF DUMP MATERIAL

Deliveries of gold bearing material from the company's sand dump to the South African Land and Exploration Company Limited ("Sallies"), were commenced on 3 November 1982 and 40 900 tons were treated at the Sallies plant between that date and 23 December 1982, resulting in revenue of R 91 000. This early commencement of operations was achieved by means of a hired mobile screening unit pending the construction of a permanent and larger screening plant, on which score it is pleasing to report that the permanent plant will be operational during February 1983. The estimated cost of the plant is R 210 000, to be borne in equal shares with Sallies, and in this regard an amount of R 37 000 was written off against pre-tax company profits at 31 December 1982.

TOWNSHIP DEVELOPMENT

Apex Extension No. 3 Industrial township was declared approved in terms of administrator's notice No. 1611 in the Provincial Gazette of 3 November 1982. The profit on certain sales was taken to account at 31 December 1982 but other sales are reflected in an amount of R 327 000 (1981—R 192 000) carried forward in a surplus on property sales—deferred account.

DIVIDEND

Notice of the declaration of an interim dividend is given below. If the results for the new accounting period to 30 June 1983 so justify, the board will consider the declaration of a final dividend at that time.

DECLARATION OF INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN that Dividend No. 78 of 5 cents per share for the 12 months ended 31 December 1982 has been declared payable to holders of ordinary shares registered in the books of the company at the close of business on 11 March 1983 and to persons presenting Coupon No. 78 detached from share warrants to bearer.

Warrants in payment will be posted from the Johannesburg and London offices on or about 8 April 1983 to members at their registered addresses or in accordance with written instructions received and accepted by the company on or before 11 March 1983. Non-Resident shareholders' tax at the rate of 15 per cent will be deducted from dividends payable to members whose addresses in the register of members are outside South Africa.

The conditions applicable to this dividend can be inspected at the Johannesburg and London Offices of the company.

For the purpose of determining those members entitled to participate in the above dividend, the share transfer books and register of members will be closed from 12 March to 18 March, 1983, both days inclusive.

ENCASHMENT OF COUPON No. 78

The dividend on shares included in Share Warrants to Bearer will be payable on or after 11 April 1983 to the persons presenting Coupon No 78 at the London Office, 20 Southampton Place, London WC1A 2BQ, or at the office of Credit du Nord, 6-8 Boulevard Haussmann, 75009-Paris. Coupons presented at the London Office must be deposited four clear days before being paid and unless accompanied by Inland Revenue declarations, they will be subject to a deduction of United Kingdom Income Tax.

By Order of the Board
J. S. HAMMILL
J. A. F. WHITE
Directors

Registered Office:
25 Wellington Road,
Parktown 2193.

Transfer Secretaries:
Central Registrars Limited,
154 Market Street, Johannesburg 2001.
11th February 1983.

BANK HANDLOWY W. WARSZAWIE S.A.

Floating Rate Note Issue of U.S.$ 30 millions 1979/89

The rate of interest applicable for the six months period beginning on February 11th 1983 and set by the reference agent is $10\frac{13}{16}$% annually.

KONISHIROKU PHOTO INDUSTRY CO. LTD.

NOTICE TO EDR HOLDERS

NOTICE IS HEREBY GIVEN that copies of the Semi-Annual Report covering the six months to October 20, 1982 of the above Company are available at the offices of The Depositary, The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD, or at Chase Manhattan Bank Luxembourg S.A., 47 Boulevard Royal, Luxembourg, or at Kredietbank S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg.

THE CHASE MANHATTAN BANK, N.A.
London, as Depositary.
February, 1983.

REGIE NATIONALE DES USINES RENAULT

$7\frac{1}{2}$% Lebanese Pounds Bonds due 1985

Numerical list of the series including the 6,750 bonds drawn by lot and making up the entire LL 6,750,000 nominal amount to be redeemed on March 15, 1983.

First and last numbers of the series

31,176 to 44,466

Each of these bonds is repayable at LL 1,000 at the offices of the following banks:

Banque Bruxelles Lambert S.A., Bruxelles
Banque Audi S.A.L., Beyrouth
Kuwait Investment Co. S.A.K., Kuwait
Crédit Lyonnais, Paris
Banque Bruxelles Lambert (Suisse) S.A., Genève
Banque Internationale à Luxembourg, Luxembourg

LEGAL NOTICES

IN THE MATTER OF
ROBERTSON ADVERTISING LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of March, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Granville White of Booth White & Co., 1 Wardrobe Place, Carter Lane, London, EC4V 5AJ the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 26th day of January 1983.
PATRICK GRANVILLE WHITE,
Liquidator.

IN THE MATTER OF
THE COMPANIES ACT 1948
AND IN THE MATTER OF
M.K.H. LEISURE LTD.

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday 1st March 1983 at 10.45 a.m. to be followed at 11.00 a.m. by a General Meeting of Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the Winding-up to date.

Dated this 4th day of *February* 1983.
B. MILLS, Liquidator.

IN THE MATTER OF
THE COMPANIES ACT 1948
AND IN THE MATTER OF
WILFRID TISBURY
AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above-named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday, 1st March 1983 at 10.15 a.m. to be followed at 10.30 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidators' Acts and dealings and of the conduct of the Winding-up to date.

Dated this 4th day of February 1983.
B. MILLS,
VERNON G. MITCHELL,
Joint Liquidators.

No. 001456 of 1982

In the HIGH COURT OF JUSTICE, Chancery Division, Companies Court. In the matter of WORLDWIDE LANGUAGES LIMITED and in the matter of the Companies Act 1948.

By Order of the High Court of Justice, Chancery Division, dated 26th August, 1982, Mr. Patrick Walter John Hartigan of 1 Wardrobe Place, Carter Lane, London, EC4V 5AJ, has been appointed Liquidator of the above-named Company with a Committee of Inspection.

Dated this 1st day of February, 1983.
PATRICK WALTER JOHN HARTIGAN,
Liquidator.

TRAVEL

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series			Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sept. Vol.	Sept. Last	Stock
D FL	C	F.270	-	..	1	4.80	.	–	F.266.60
D FL	P	F.260		..	21	6.00	5	13	
D FL	P	F.265	27	5.50	1	10	–		"
D FL	P	F.270		–	1	13		–	"
D FL	P	F.275	10	11	10	16	–	–	"
			Feb.		May		Aug.		
GOLD	C	$375	13	121 B	30	134		–	$496.50
GOLD	C	$425	4	74	10	91	5	100	"
GOLD	C	$450	36	47	9	62	–	-	"
GOLD	C	$475	96	21	5	52 B	1	68 B	"
GOLD	C	$500	532	8.50	67	38	5	55	"
GOLD	C	$550	10	1	61	16.60	20	36.50	"
GOLD	P	$425		-	32	4	–	--	"
GOLD	P	$450	75	1.10	48	7	–	–	"
GOLD	P	$475	.	–	6	17	–	.	"
GOLD	P	$500	20	10	7	29	2	35	"
12¼ NL 81 87 91									
	C	F.122.50	22	10.50	--	.	–	–	F.133.20
	C	F.127.50		.	.		52	6.50	"
	C	F.130	-		92	4	–		"
	C	F.135		-	45	2.40	12	3.50	"
	C	F.140	.	--	100	0.80	60	2.30	"
	P	F.127.50	.	--	301	0.90	..	..	"
	P	F.130	.		310	2.20 B	78	3	"
	P	F.135	12	2	–	–	–	–	"
10¼ NL 80 86 95									
	C	F.115	–	–	–	–	98	2.10	F.113.50
11¼ NL 82 88 92									
	C	F.112.50	13	3.60	–	–	–	–	F.115.90
	C	F.115		..	320	1.90	–	–	"
	C	F.117.50	30	0.20	–	.	–	–	"
	C	F.120	–	–	50	0.80	–	–	"
10½ NL 82 86 89									
	C	F.107.50	30	2.70	–	–	–	--	F.110.50
10 NL 82 11 86 89									
	P	F.112.50	–	–	300	2.80	–	--	F.111.10
7½ NL 82 89 93									
	C	F.100	27	0.80	107	1.70	–	–	F.100.80
	P	F.102.50		–	25	2.30	–	–	"
7½ NL 83 87 90									
	C	F.100	–	–	73	1.30	...	–	F.100
	C	F.102.50	–	–	200	0.60	–	–	"
	P	F.100	–	–	600	1	–	–	"
			April		July		Oct.		
ABN	C	F.300	182	17	–	–	–	--	F.305
ABN	C	F.320	49	4.70	80	7	–	–	"
ABN	P	F.320	130	16	–	–	–	–	"
AKZO	C	F.30	47	11.50	–	–	–	–	F42
AKZO	C	F.35	106	7	--	–	–	–	"
AKZO	C	F.40	139	3.80	–	–	115	5.40	"
AKZO	C	F.45	185	1.20	–	–	55	3.40	"
AKZO	P	F.35	58	0.50	..	–	–	–	"
AKZO	P	F.40	185	1.50	–	--	–	–	"
AMRO	C	F.45	–	–	38	3.50 A	–	–	F.44.40
AMRO	C	F.50	65	1	38	1.80	–	–	"
AMRO	P	F.40	74	1.70	–	–	–	–	"
AMRO	P	F.45	55	3.50 B	39	4.30	–	–	"
GIST	C	F.120	37	19.50	–	–	–	–	F.138
GIST	C	F.130	59	12.50 B	–	–	–	-	"
GIST	C	F.140	–	–	46	9	–	–	"
GIST	P	F.110	43	0.80	–	–	–	–	"
GIST	P	F.120	60	1.50	–	–	–	–	"
GIST	P	F.130	52	4.30	–	–	–	–	"
HOOG	C	F.15	62	2.50	-	–	–	–	F.16.50
HOOG	C	F.17.50	218	1	50	1.60	–	–	"
KLM	C	F.160	66	10.80	–	–	–	–	F.154.50
KLM	P	F.140	65	7.20	–	–	–	–	"
NEDL	C	F.100	121	2.20	–	–	–	–	F.90
NATN	C	F.130	63	3	..	–	2	6	F.128.80
PHIL	C	F.30	52	4.20	75	4.60	13	5.40	F.33.90
PHIL	C	F.32.50	108	2.60	47	3	92	3.90	"
PHIL	C	F.35	435	1.60	162	2.20	61	2.90	"
PHIL	P	F.25	75	0.10	–	–	–	–	"
PHIL	P	F.30	20	0.50 A	59	1.20	6	1.40	"
PHIL	P	F.32.50	91	1	14	2	15	2.50	"
RD	C	F.90	127	9.50	–	–	–	–	F.98.10
RD	C	F.100	875	3.90	48	5.20 B	70	6.40 B	"
RD	P	F.80	110	0.40	-	–	–		"
RD	P	F.90	68	1.20	20	3.10	–	–	"
RD	P	F.100	58	4.50	2	7.30	–	–	"
			Feb.		May		Aug.		
SIEM	C	DM.260	1	8.50	77	14	–	–	DM.270.50

TOTAL VOLUME IN CONTRACTS 10,487

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 312)	260	60	–	–	3	–	--
"	280	40	–	–	6	–	–
"	300	24	30	42	17	22	26
"	330	7	16	24	34	42	46
"	360	3	6	–	60	64	–
CGF (USP 550)	460	95	107	–	6	12	–
"	500	58	75	82	18	26	30
"	550	30	44	60	35	44	50
"	600	16	25	37	67	70	77
CTD (USP 87)	70	19	21	23	2	2½	3½
"	80	10	14	16	3½	5	7
"	90	5	7	9	8	9	10
CUA (USP 137)	120	20	21	–	2	4	–
"	130	12	16	–	5	8	–
"	140	6	9	15	14	17	18
"	160	3	5	7	30	31	32
GEC (USP 210)	180	38	44	52	3	6	10
"	197	22	–	--	6	–	–
"	200	–	28	37	–	13	20
"	217	8	–	–	16	–	–
"	220	–	16	–	–	21	-
"	237	4	-	–	32	.	–
"	240	–	8	–	–	38	–
"	260	2	5	–	52	54	–
GMH (USP 351)	240	112	–	–	1	–	–
"	260	92	-	--	1	–	–
"	280	72	79	–	2	4	–
"	300	52	59	–	3	6	–
"	330	28	36	43	8	12	17
"	360	10	19	26	22	25	28
ICI (USP 394)	260	138	–	–	2	-	–
"	280	118	..	–	2	--	–
"	300	98	108	–	2	3	–
"	330	68	78	–	4	5	–
"	360	42	52	60	9	15	16
"	390	22	34	42	20	26	30
"	420	9	18	26	38	42	46
LS (USP 304)	240	67	--	–	2	...	--
"	260	47	51	66	2	4	7
"	280	27	38	39	6	10	14
"	300	14½	19½	26	13	17	21
M & S (USP 206)	160	51	–	–	1½	--	–
"	180	31	36	42	2	5	7
"	200	17	24	32	7	13	18
"	220	9	15	21	20	23	25
"	240	3	6	–	35	38	–
SHL (USP 428)	360	70	-	–	–	--	–
"	390	40	48	54	5	9	12
"	420	22	30	36	18	22	28
"	460	7	14	-	42	46	–

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BBL (USP 433)	350	--	–	–	1	–	–
"	360	73	78	88	1	4	8
"	385	–	--	..	2	–	–
"	390	43	48	58	2	8	15
"	420	15	25	38	3	20	33
"	460	–	14	22	–	43	53
IMP (USP 125)	90	36	36	–	0½	1	–
"	100	26	26	–	0½	1	–
"	110	16	16	19	1	4	5
"	120	7	11	13	3	9	11
"	130	2	6	9	8	15	17
LMO (USP 272)	260	20	40	47	5	17	22
"	280	7	28	32	17	27	32
"	300	2	15	22	32	42	42
"	330	2	7	15	62	65	72
"	360	2	2	–	92	95	--
"	390	2	2	--	122	125	–
LNR (USP 91)	60	32	–	–	0¼	–	--
"	70	22	–	-	1	--	–
"	80	12	15	17	1	3	3½
"	90	4	7	10	3	8	10
"	100	1	3	4½	10	16	18
P & O (USP 119)	100	22	26	27	1	2	5
"	110	12	18	19	1	4	8
"	120	4	11	13	4	8	16
"	130	1	5½	9	11	14	24
"	140	1	3	–	21	24	–
"	160	0½	1	–	41	43	–
RCL (USP 474)	390	87	–	–	1	--	–
"	420	57	–	-	2	-	--
"	460	18	45	55	3	20	27
"	500	2	25	39	30	37	42
"	550	2	12	20	79	80	82
"	600	2	3	8	129	130	132
"	650	1	2	–	179	180	–
RTZ (USP 527)	330	200	–	--	--	–	–
"	360	170	–	–	1	–	–
"	390	140	147	–	1	1	2
"	420	110	117	117	1	2	6
"	460	70	80	90	1	7	15
"	500	30	55	70	2	20	32
VRF (USP 122)	55	68	–	–	0½	1	--
"	60	63	63	-	0½	1	–
"	70	53	63	2	0½	1	–
"	80	43	43	43½	0½	0¼	–
"	90	33	33	33½	0½	2	2¼
"	100	23	23½	25½	0¼	4½	6½
"	110	13	15½	20	0¼	8	10½
"	120	4	11½	15½	2½	12½	16
"	130	–	7½	11½	–	17	20½

Feb. 10 Total Contracts 3,773 Calls 2,517 Puts 1,256

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.

NAV	$15.07	—	+0.18	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Perpetual U.T. Mgrs (Jersey) Ltd.
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$3.93	4.24	+0.07	—
Far East Fund	$2.82	3.04	+0.05	—
Intl. Currency Fund	$1.74	1.88	+0.02	—
Dollar Fxd. Int. Fund	$3.31	3.57		—
Ster. Exempt Gilt Fd.	£2.02	2.18	+0.03	—

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.280	1.376	+0.014	—
Intl. Stockmarket	$0.974	1.048	+0.016	—
World Technology	$0.988	1.062	+0.011	—
N. Am. Stockmarket	$1.136	1.222	+0.037	—
Far East	$0.840	0.903	-0.003	—
UK Fixed Interest	£1.135	1.221	+0.014	—
Intl. Fixed Int.	$1.041	1.119	-0.008	—
Intl. Currency	$0.985	1.059	+0.005	—
Intl. Money Market	$1.017	1.094	+0.002	—
U.K. Money Market	£1.003	1.078	+0.003	—
Stlg. Mangd. Fd	£1.072	1.153	+0.003	—
Dollar Mangd. Fd.	$1.018	1.095	-0.008	—

Savings Target Rate $11.£10.
Prices on Feb 9. Next dealing Feb 16.

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	£0.783	0.829		10.86
Quest Intl. Secs.	$0.976	1.050		1.33
Quest Intl. Bd.	$0.829	0.878		11.96

Prices on Feb 9. Next dealing Feb 16.

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	98.0	103.0	...	3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.85	—	+0.03	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	37.2	38.7		3.10
Chinese Fund	80.4	83.8	+7.4	1.70
Precious Metal Fund	155.5	161.6		8.30
Vanguard Cmdy. Fd.	43.5	44.6	-2.1	2.26
Financial Futures Fd.	125.4	130.5	-2.1	—
Wren Intl. Fnd.*	$0.958	0.997	+0.030	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

EUROBONDS

$ bond prices marked higher

BY ALAN FRIEDMAN IN LONDON

THE EURODOLLAR bond market saw prices of many issues marked ¼ to ½ point higher yesterday. Dealers said the improvement resulted from increased bargain hunting by investors interested in new issues at knock-down prices. The six-month Eurodollar deposit rate dropped marginally, from 9⅜ per cent to 9⁵⁄₁₆ per cent, another encouraging factor in what has been a severely depressed market.

In Switzerland, BTR, the British industrial holding company, launched a SwFr 100m 10-year issue with a yield indication of 5⅜ per cent. Credit Suisse is lead-manager. Swiss foreign bond prices closed unchanged to slightly better after a day of quiet trading.

Two private placements were announced: a SwFr 100m five-year 3½ per cent convertible issue for Meiji Seika Kaisha, the Japanese confectionary firm. Swiss Bank Corporation is arranging this deal.

Asahi Chemicals, another Japanese company, is placing SwFr 50m of five-year convertible paper through Union Bank of Switzerland, the indicated coupon is 3¾ per cent.

Euro D-Mark bond prices gained ¼ to ½ point on the back of a firmer New York bond market and a weaker U.S. dollar against the D-Mark.

In the European Currency Unit (ECU) sector, an ECU 60m 12-year issue for Sweden's Export Credit Corporation (SEK) was priced last night by Kredietbank with a coupon of 11¼ per cent at 99½. This coupon has been set for three years, at which point investors may redeem the bonds when a new coupon is fixed.

From Brussels comes word that participants in the Euroclear bond clearing system are to receive further rebates of fees amounting to $3.4m, bringing total rebates for the year to last November to $4.8m. Of the latest refunds, $1.7m will be paid on February 15. The repayments mean that Euroclear members will have received a 100 per cent rebate of all clearance and delivery fees paid last year.

● Mr Richard Portnoy is joining Credit Suisse First Boston on March 1 as head of administration, replacing M Jacques Pittner. Mr Portnoy is currently a vice-president of Chase Manhattan (London).

WEEKLY U.S. BOND YIELDS (%)

	Feb. 9	Feb. 2	1982–83 High	1982–83 Low
Composite Corp. AAA	11.78	11.68	14.91	10.83
Composite Corp. AA	12.05	11.98	15.41	11.18
Government:				
Long-term	11.09	10.93	14.02	10.18
Intermediate	10.50	10.41	14.24	9.91
Short-term	9.89	9.79	14.52	9.23
Municipal	N/A	9.63	12.99	9.16
Industrials AAA	11.57	11.46	14.58	10.55
Industrials AA	11.90	11.83	15.00	10.96
Utilities AAA	11.98	11.90	15.27	11.11
Utilities AA	12.19	12.13	15.83	10.96
Preferred Stocks	11.19	11.17	13.35	10.71

Source: Standard & Poor's

$200m credit for Hungary sees support

By Our Euromarkets Correspondent

HUNGARY'S efforts to raise a $200m, three-year Eurocredit has so far attracted five banks as lead managers who have put up half the total amount.

The credit has been mandated jointly to Arab Banking Corporation, Bank of Tokyo and Deutsche Bank, which will act as agent. Other lead managers already committed to the operation are Creditanstalt-Bankverein of Vienna and Manufacturers Hanover, which masterminded a $260m credit for the Hungarian National Bank last year.

The credit is to bear a margin of 1¼ per cent over London Eurodollar rates or 1 per cent over U.S. prime. It is expected to be complete within the next four to six weeks. Lead managers are scheduled to meet next week to discuss strategy for marketing the deal, but it is anticipated that the loan will be essentially a "club" operation with very limited syndication.

Some reports last week suggested that the credit would be basically subscribed by European banks, but bankers close to the deal said yesterday that Hungary would like broadly-based international support for the loan which is likely to be its only foray into the Eurocredit market this year.

● Ireland is raising DM 100m through a seven year fixed rate credit in the Euromarkets but has still taken no decision on whether to proceed with a larger syndicated loan, bankers in Dublin said yesterday.

The country's Finance Ministry is understood to be considering several offers from banks to arrange a large credit but may take some weeks yet before making up its mind whether to go ahead. Pressure to borrow abroad has been reduced by forecasts of a sharply lower balance of payments deficit this year.

The D-Mark credit is being led by Indosuez and DG Bank and is a traditional Irish deal in that it is being arranged very discreetly. Terms are not being disclosed.

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

8¼% Sinking Fund Debentures due March 15, 1986, Series BS (herein called "Debentures") of the

QUEBEC HYDRO-ELECTRIC COMMISSION

CANADA

PUBLIC NOTICE IS HEREBY GIVEN that the Quebec Hydro Electric Commission intends to and will redeem for SINKING FUND PURPOSES on March 15, 1983, pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% principal amount plus accrued interest to the redemption date, namely:

19	710	1851	2384	2978	3883	4421	5034	5828	6418	6990	7668	8297	9095	10072	11501	18445
32	738	1862	2395	2984	3895	4488	5047	5839	6423	6991	7680	8301	9101	10090	11619	18477
45	756	1875	2423	2990	3897	4489	5051	5846	6441	7028	7704	8321	9116	10101	11654	18515
52	768	1887	2429	2997	3905	4510	5062	5863	6450	7078	7715	8336	9131	10139	11865	18561
96	789	1897	2437	3002	3912	4538	5086	5868	6461	7080	7725	8344	9144	10152	11903	18624
99	802	1702	2445	3016	3957	4546	5106	5885	6475	7104	7737	8354	9150	10180	12041	18891
127	808	1713	2473	3030	3964	4551	5130	5889	6484	7112	7748	8381	9152	10201	12052	18795
133	858	1720	2482	3040	3971	4563	5137	5919	6488	7129	7756	8392	9164	10239	12102	18888
147	872	1781	2490	3051	3974	4578	5143	5929	6492	7150	7764	8427	9188	10251	12154	18939
177	884	1783	2496	3052	4105	4585	5216	5935	6509	7151	7776	8441	9201	10276	12208	19026
190	916	1787	2498	3142	4109	4605	5256	5948	6515	7165	7785	8448	9226	10414	12251	19129
197	927	1801	2500	3144	4113	4622	5265	5951	6525	7173	7793	8557	9231	10428	12305	19243
209	943	1825	2503	3147	4131	4632	5329	6026	6539	7212	7801	8569	9257	10452	12358	19340
227	951	1890	2514	3151	4134	4641	5343	6083	6551	7238	7808	8589	9271	10481	12405	19445
239	958	1901	2527	3160	4146	4645	5345	6087	6557	7244	7817	8601	9286	10501	12575	19502
297	996	1904	2536	3180	4151	4651	5351	6092	6572	7251	7829	8613	9319	10530	12661	19564
300	1284	1930	2551	3201	4157	4656	5356	6124	6589	7254	7833	8631	9342	10552	12711	19625
302	1286	1934	2570	3209	4174	4672	5367	6126	6617	7260	7845	8646	9346	10587	12765	19743
313	1288	1942	2582	3338	4191	4674	5381	6173	6627	7268	7948	8651	9359	10601	12892	19763
339	1292	1966	2601	3346	4198	4717	5395	6178	6638	7279	7951	8677	9390	10642	12901	19794
351	1298	1972	2620	3351	4202	4729	5398	6181	6652	7283	7962	8690	9543	10651	12953	19803
364	1301	1986	2636	3365	4208	4773	5401	6210	6671	7458	7965	8698	9555	10684	13001	19840
391	1374	1995	2645	3386	4221	4789	5414	6216	6682	7464	7973	8701	9586	10701	13054	19859
409	1382	2033	2654	3402	4233	4794	5423	6225	6687	7486	7979	8712	9601	10728	13102	19907
414	1390	2040	2671	3408	4240	4802	5438	6232	6720	7490	7992	8730	9621	10826	13175	19940
436	1401	2046	2689	3431	4249	4808	5446	6251	6724	7493	7997	8751	9651	10845	13230	19976
452	1415	2051	2695	3490	4254	4826	5448	6254	6733	7522	8002	8756	9672	10851	13325	19988
475	1436	2085	2702	3499	4272	4838	5504	6269	6741	7533	8005	8823	9713	10890	13501	19996
489	1451	2165	2715	3514	4288	4852	5537	6275	6759	7540	8013	8845	9742	10901	13572	
502	1464	2175	2730	3531	4294	4871	5540	6331	6774	7545	8018	8860	9753	10940	13625	
515	1473	2191	2738	3541	4305	4885	5678	6343	6787	7552	8027	8866	9775	10954	13737	
535	1481	2201	2769	3547	4312	4898	5690	6346	6792	7559	8043	8873	9801	10985	13842	
557	1495	2218	2781	3567	4329	4901	5706	6351	6797	7595	8051	8925	9832	11001	13943	
583	1502	2256	2789	3634	4343	4922	5711	6358	6802	7607	8053	8932	9851	11051	14001	
595	1524	2260	2793	3637	4348	4936	5723	6364	6806	7617	8179	8941	9879	11101	14112	
603	1527	2272	2804	3646	4359	4947	5736	6370	6822	7627	8180	8952	9901	11151	14236	
617	1555	2281	2810	3824	4370	4951	5744	6380	6836	7634	8182	8964	9926	11201	14341	
643	1572	2322	2812	3828	4381	4961	5750	6385	6844	7641	8255	8983	9952	11251	15003	
651	1586	2326	2904	3836	4391	4977	5751	6390	6889	7644	8260	9001	9979	11301	16153	
665	1613	2336	2906	3851	4397	4988	5766	6396	6893	7650	8270	9024	10018	11352	17254	
689	1630	2366	2922	3860	4401	5011	5797	6403	6897	7651	8284	9040	10037	11403	18368	
702	1648	2378	2937	3868	4413	5023	5815	6411	6909	7656	8290	9090	10051	11454	18403	

Debentures to be so redeemed, will become due and payable and will be paid in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts in said United States of America, at the office of the Fiscal Agent, Bank of Montreal Trust Company in the Borough of Manhattan, City and State of New York, United States of America, or at any of the offices of the following Paying Agencies: Bank of Montreal, Montreal, P.Q., Canada; Bank of Montreal, London, England; Kredietbank N.V., Brussels, Belgium; Westdeutsche Landesbank Girozentrale, Dusseldorf, Federal Republic of Germany; Kredietbank S.A. Luxembourg, Grand Duchy of Luxembourg; S. G. Warburg & Co. Limited, London, England; Commerzbank Aktiengesellschaft, Dusseldorf, Federal Republic of Germany; Commerzbank Aktiengesellschaft, Frankfurt, Federal Republic of Germany; Banque Francaise de Depots et de Titres in Paris, France, upon presentation and surrender of Debentures bearing the above numbers, with all coupons maturing after March 15, 1983 attached.

From and after March 15, 1983, interest on the debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

Dated at Montreal
This 11th Day of February 1983.

Treasurer
QUEBEC HYDRO ELECTRIC COMMISSION

COMPANY NOTICES

GAZ DE FRANCE

National Service
Public Corporation of the French State
(law on nationalisation of Electricity and Gas of April 8th, 1946)

Registered Office:
23, rue Philibert Delorme
PARIS (17eme)

9¾% BONDS 1970-1985 OF USD 1,000

NUMERICAL LIST
1) of the series including, with the previous repurchases, the 1,330 bonds drawn by lot on January 25, 1983 (thirteenth drawing) making up the totality of the nominal amount of USD 1,330,000 to be redeemed on March 15, 1983:

10,766 to 11,106
16,494 to 17,502

2) of the series previously drawn by lot among which are bonds not yet presented for the repayment:

Drawing of January 26, 1977
Reimbursement March 15, 1977
9,406 to 10,765

Drawing of January 25, 1978
Reimbursement March 15, 1978
690 to 2,035

Drawing of January 25, 1979
Reimbursement March 15, 1979
4,548 to 5,903

Drawing of January 24, 1980
Reimbursement March 15, 1980
2,036 to 2,716
4,047 to 4,536
5,904 to 5,928

Drawing of January 27, 1981
Reimbursement March 15, 1981
13,724 to 13,817
15,148 to 16,383

Drawing of January 26, 1982
Reimbursement March 15, 1982
11,107 to 11,611
12,976 to 13,723
16,384 to 16,493

These bonds will be redeemed at USD 1,000 at the office of the CHASE MANHATTAN BANK in New York and the offices of the following banks:

—BANQUE NATIONALE DE PARIS, PARIS
—SOCIETE GENERALE, PARIS
—CREDIT COMMERCIAL DE FRANCE, PARIS
—DEUTSCHE BANK AG, FRANCFORT SUR LE MAIN
—BANQUE BRUXELLES LAMBERT, BRUXELLES
—SOCIETE GENERALE DE BANQUE SA, BRUXELLES
—BANCA NAZIONALE DEL LAVORO, ROME
—CREDIT LYONNAIS Agence de Luxembourg LUXEMBOURG
—SOCIETE GENERALE ALSACIENNE DE BANQUE, LUXEMBOURG
—AMSTERDAM ROTTERDAM BANK NV, AMSTERDAM
—CREDIT LYONNAIS, PARIS
—BANQUE DE PARIS ET DES PAYS BAS, PARIS
—COMMERZBANK AG, DUSSELDORF
—DRESDNER BANK AG, FRANCFORT SUR LE MAIN
—KREDIETBANK NV, BRUXELLES
—BANCA COMMERCIALE ITALIANA, MILAN
—KREDIETBANK SA LUXEMBOURGEOISE, LUXEMBOURG
—BANQUE GENERALE DU LUXEMBOURG SA, LUXEMBOURG
—ALGEMENE BANK NEDERLAND NV, AMSTERDAM
—BARCLAYS BANK Ltd, LONDRES

Outstanding amount USD 2,710,000.

North American quarterly results

ALGOMA STEEL

Year	1982 C$	1981 C$
Revenue	876.2m	1.45bn
Net profits	†52.7m	152.2m
Net per share	†3.76	10.85

† Loss

AMCA INTERNATIONAL

Fourth quarter	1982 $	1981 $
Revenue	384.0m	439.0m
Net profits	7.0m	15.8m
Net per share	0.18	0.58
Year		
Revenue	1.47bn	1.57bn
Net profits	47.8m	70.2m
Net per share	1.73	2.61

NOTICE TO HOLDERS OF

ITO-YOKADO CO., LTD.

6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1992

5¾% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1993

5¾% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1996

Pursuant to Section 3.05 of the Company's Indentures dated as of June 15, 1977, July 1, 1978 and July 1, 1981, respectively, relating to the above-mentioned Debentures, notice is hereby given as follows:

1. On February 1, 1983, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of February 28, 1983 in Japan, at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion prices at which the above-mentioned Debentures may be converted into shares of Common Stock of the Company will be adjusted effective as of March 1, 1983, Japan Time. The conversion prices in effect before such adjustment are Yen 980.40 for the 6% Convertible Debentures Due August 31, 1992, Yen 998.90 for the 5¾% Convertible Debentures Due August 31, 1993 and Yen 1,112.70 for the 5¾% Convertible Debentures Due August 31, 1996, and the adjusted conversion prices will be Yen 891.30 for the 6% Convertible Debentures Due August 31, 1992, Yen 908.10 for the 5¾% Convertible Debentures Due August 31, 1993 and Yen 1,011.50 for the 5¾% Convertible Debentures Due August 31, 1996.

ITO-YOKADO CO., LTD.
By: The Bank of Tokyo Trust Company *as Trustee*
Dated: February 11, 1983

AHMSA

Altos Hornos de México, S.A.
U.S. $100,000,000
Floating Rate Notes due 1987

In accordance with the provisions of the above Notes, notice is hereby given that for the six months from 10th February, 1983 to 10th August, 1983 the Notes will carry an interest rate of 10⅞% per annum.

The interest payable on each U.S.$10,000 Note on the relevant interest payment date, 10th August, 1983, against Coupon No 3 will be U.S.$502.78.

Agent Bank:
Lloyds Bank International

Charterhouse Japhet International Finance B.V.

U.S. $10,000,000
GUARANTEED FLOATING RATE NOTES 1985
Notice is hereby given
pursuant to the Terms and Conditions of the Notes that for the six months from
11th February, 1983 to 11th August, 1983
the Notes will carry an interest rate of
9 13/16% per annum
On 11th August, 1983 interest of U.S.$49.96 will be due per U.S.$1,000 note for coupon No. 10
EUROPEAN BANKING COMPANY LIMITED
(Agent Bank)
11th February, 1983

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 10.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 89	75	109⅝	110⅛	-0⅛	-0⅛	11.88
Amro Bank 13 89	200	103¾	104¼	-0⅛	0⅛	12.07
BHP Finance 14⅜ 89	150	106¼	106¾	-0⅛	+0½	13.12
British Col Hyd 14⅛ 89	200	109⅞	110⅜	-0⅛	-0⅛	12.28
British Col Hyd 15¼ 92	150	114	114½	-0⅜	-0⅛	12.55
Canada 14⅜ 87	750	110⅜	110⅞	-0⅛	-0⅛	11.11
Canadair Ltd 12½ 89	175	103⅜	103⅞	-0⅛	-0⅛	11.67
Canadian Wheat 11¼ 90	50	98½	98⅝	0	0	11.56
Can Pac Ltd 14⅝ 92	75	107⅛	107⅝	0	0¾	13.77
Can Pac Sec 15 89	75	108⅛	108⅝	-0⅛	-0¾	12.94
Citicorp O/S 15 84/92	100	104⅛	104⅝	-0⅛	-0½	10.75
Coca Cola Int 9⅞ 92	100	22¾	23¼	-0½	-0½	11.08
Coca Cola Int 11⅜ 89	100	105	105½	-0⅜	0	10.58
Credit Suisse 10½ 89	100	99¾	100¼	-0⅜	-0⅛	10.49
Deutsche Bk Fin 14¼ 89	300	108⅝	109⅛	-0⅛	0⅛	12.16
Du Pont 11¼ 95	150	98¼	98¾	-0⅛	0	11.48
Du Pont 14⅞ 89 WW	200	106⅞	107⅜	-0⅛	0⅛	12.42
E D C 10¾ 88	100	98½	99	-0¼	-0⅛	11.08
E D F 12⅜ 87	150	102⅜	102⅞	-0⅛	0	11.95
E.E.C. 11½ 95	200	96½	97	-0⅛	0	12.02
E.I.B 15½ 92	100	111⅜	111⅞	-0⅜	-1	13.23
Exp Dev Corp 11⅜ 87	100	101	101½	-0⅛	0⅛	11.36
Forsmarks 13⅜ 92	75	102⅝	103⅛	-0⅜	-0⅛	13.17
Gaz de France 12¼ 93	175	17⅝	18⅛	-0⅛	0⅛	12.61
Gen Elec Credit 9⅜ 91	100	13	13½	-0⅜	-0⅛	10.99
Gen Elec Credit 12 89	100	104⅝	105⅛	-0⅜	-0⅛	10.87
Getty Oil Int 14 89	125	106¾	106¼	-0⅛	0¼	12.38
GMAC O/S Fin 10½ 90	200	95⅞	96⅜	-0⅜	0⅜	11.33
GMAC O/S Fin 15 87	100	108½	109	-0⅜	-0⅛	12.19
GMAC O/S Fin 15 89	125	111¾	111⅞	-0¼	-0⅜	12.20
Gulf Oil Fin 12¼ 87	100	104	104½	-0⅜	-0⅛	10.99
IBM World Trade 12⅛ 92	200	108⅞	109⅜	0	0½	10.67
Lloyds Euro 11½ 94	100	17	17½	-0⅛	1⅛	11.83
Manitoba Prov 11⅜ 89	125	101⅞	102⅜	-0⅛	0½	11.26
Manitoba Prov 13¾ 89	100	107⅞	108⅜	-0¼	0⅛	11.87
Midland Int Fin 11½ 92	150	98⅛	98⅝	+0⅛	-0⅛	11.75
Nat West Fin 11¾ 92	150	99⅝	100⅛	-0⅛	-0⅛	11.73
New Brunswick 15¼ 87	75	111	111½	+0⅛	-0⅛	11.81
Newfoundland 15½ 90	75	109⅝	110⅛	-0⅜	-0⅛	13.27
Nova Scotia Prv 15⅛ 89	75	111½	112	0	0⅝	12.45
Ontario Hydro 11⅛ 89	200	100¾	101¼	-0⅛	-0⅛	11.02
Ontario Hydro 12⅜ 92	200	103¾	104⅛	-0⅛	0⅛	12.80
Ontario Hydro 15 92	150	113⅝	114⅛	-0⅛	0⅛	12.39
Prudential O/S 12⅜ 87	150	105	105½	+0⅛	-0⅜	11.21
Quebec Hydro 11½ 92 0	100	98½	99	-0⅛	-0½	11.78
R J Reynolds 12⅜ 89	100	104¼	104¾	-0⅜	0	11.70
Saskatchewan Prov 15 92	150	112	112½	0	0½	12.67
Shell Canada 14⅜ 92	125	106⅝	107⅛	-0⅛	-0⅛	13.02
Superior O/S Fin 14 88	125	107	107½	-0⅛	0	12.24
Swed Exp Credit 14¾ 90	100	106⅛	106⅝	-0⅜	+0⅛	13.26
Swiss Bk Corp 10⅛ 90	125	99⅜	99⅞	-0⅛	-0⅜	10.94
U B S 10¾ 87	200	102⅛	102⅝	+0½	-0¾	10.04
U B S. 11 89	150	102⅛	102⅝	-0½	-0¾	10.45
Walt Disney Pro 12½ 89	75	102⅞	103⅜	+0⅜	0	11.74
World Bank 10⅞ 90	200	96½	97	-0⅛	0½	11.57
World Bank 11⅛ 98	100	94⅝	95⅛	-0⅛	0⅝	11.87
World Bank 13⅛ 87	300	105⅛	105⅝	-0⅛	-0⅜	11.68

Av. price changes: on day +⅛, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	108⅛	109⅝	-0⅛	-0⅛	8.19
Asian Dev Bank 8¼ 92	150	98¼	99¼	-0⅛	-0½	8.32
Australia 6⅞ 93	200	98⅛	98¾	-0½	-0⅛	7.09
Australia 7¾ 92	200	102½	102⅞	-0½	-0⅛	7.35
Bayer Capital 7⅛ 89	150	101¾	102¼	-0⅛	-1¼	7.23
[illegible]						

SWISS FRANC STRAIGHTS

[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						
New Zealand 8⅜ 87	15	103⅜	104⅛	0	0⅜	7.32
World Bank 8⅜ 92	20	103⅜	104⅜	0	0⅛	7.74

Av. price changes: on day 0, on week ⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 CS	50†	112½	113	0	0	13.75
Can Utilities 17 87 CS	35†	114	115	0	+0¼	12.53
Gaz de France 15 89 CS	75†	108¼	109¼	0	-0⅜	13.42
Gaz Metro 14½ 92 CS	40†	104	105	0	0½	13.61
O.K.B 16⅛ 88 CS	63†	114½	115½	0	-0½	12.21
Quebec Hydro 14 92 CS	60†	106¾	107¾	0	-0½	12.88
Swed Exp CR 12¼ 88 CS	58†	98⅝	99⅝	-0⅜	-0⅛	12.78
Ireland 12⅜ 90 Ecu	30	99⅜	100⅜	0¼	0⅛	12.46
Thom Brand 12½ 87 Ecu	40	99⅜	100⅜	0⅛	0½	12.41
Amfas 9½ 87 Fl	60	104½	105	+0⅜	+0⅛	8.25
Amro Bank 9½ 87 Fl	100	105⅛	105⅝	-0⅛	0⅛	8.08
Neder Midbk 9⅛ 87 Fl	100	104½	105	0	0⅜	8.02
Nedlloyd Grp 10¼ 87 Fl	75	105⅛	105⅝	0⅛	0½	8.88
Van Lanschot 10⅛ 87 Fl	50	108	108½	0	0⅛	8.64
World Bank 10 87 Fl	100	107⅛	107⅝	0⅛	0⅛	8.04
O.K.B. 14 86 FF	400	97½	98½	0	0¼	14.88
Solvay & Cie 14⅜ 86 FF	200	96½	97½	0⅛	0⅞	16.61
B F C E 14½ 87 £	30	104⅞	105⅞	-0½	0	12.78
C E C A 13½ 88 £	20	101⅜	102¾	-0⅜	-0⅜	12.88
C N T 12½ 89 £	20	97⅜	98⅜	-0⅛	-0⅜	12.87
E E C 11⅞ 91	50	95⅛	96	-0⅛	-0⅛	12.78
Fin For Ind 12⅛ 88 £	30	99⅜	100⅜	-0⅜	-0⅛	12.24
Fin Mar Oranj 12⅛ 92 £	30	21	22	0	+0½	13.20
Gen Elec Co 12½ 89 £	50	102⅜	103⅜	0	0	11.71
Hiram Walker 14⅛ 86 £	25	103⅞	105⅛	0	0	12.40
Mort Bk Fin 11⅜ 89 £	15	22¼	23¼	0	-0½	13.54
Norsk Hydro 12 90 £	30	24⅜	25⅜	-0⅛	-0⅛	13.31
Norsk Hydro 14½ 87 £	30	104⅞	105⅞	-0⅛	0⅛	12.78
Quebec 14½ 89 £	30	103⅜	104⅜	-0¼	-0⅜	13.45
S D R France 15½ 92 £	30	103⅜	104⅜	-0½	0	14.80
S.N.C.F. 11½ 89 £	30	82⅜	82⅞	-75⅛	-75⅛	13.18
Tenneco Int 14⅜ 87 £	30	105⅛	106⅛	-0⅛	-0⅛	12.95
World Bank 11⅜ 91 £	75	23½	24½	-0⅛	-1	12.66
Eurofima 10½ 87 LuxFr	500	98½	99½	0⅛	0⅛	10.79
Europarat 12½ 92 LuxFr	500	104⅛	106⅛	0	0	11.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	99⅜	100⅛	10/6	9⅜	9.75
B.F.C.E. 5⅛ 88	0⅛	99	99½	28/7	9⅛	9.32
B F.C.E. 5⅛ 87	0⅛	99⅛	99⅝	27/7	9.94	10.00
Caisse Nat Tele 5⅛ 90	0⅛	99⅛	99⅝	21/4	10.56	10.63
C.C.C.E. 5¼ 2002	0⅜	97¾	98⅛	11/3	9⅜	10.09
Copme 5⅛ 92	0⅛	99¼	99½	10/6	9.94	10.00
Copme 5⅛ 93 *†	0⅛	99⅛	99⅝	1/8	9.94	10.01
Chemical NY 5¼ 94 ††	0⅛	100	100½	23/3	9.94	9.91
Credit Agricole 5⅛ 97	0⅛	99⅛	99⅝	24/3	12⅜	12.96
Credit du Nord 5⅛ 92	0⅛	98⅞	99⅜	23/8	10⅛	10.21
Credit Lyonnais 5⅛ 97	0⅛	99⅛	99⅝	1/4	12.19	12.26
Credit Lyonnais 5¼ 94	0⅛	98⅞	99⅜	5/7	9⅛	9.84
Credit Nat 5⅛ 94 † †	0⅛	99⅛	99⅝	9/3	12.18	12.32
Kansallis Osake 5½ 92	0⅛	99⅝	100⅛	6/5	10.06	10.06
Lloyds Eurofin 5⅛ 93 §	0⅛	100	100⅛	29/4	10.56	10.55
Long Term Cred 5⅛ 92	0⅛	99⅜	99⅝	27/5	10⅛	10.15
J.P Morgan 5⅛ 97 §	0⅛	100	100½	14/2	10.06	10.00
Nat West Fin 5⅛ 91 §	0⅛	99⅜	100⅛	15/7	9⅛	9.25
New Zealand 5⅛ 87	0⅛	100⅛	100⅝	7/4	12⅛	12.45
NZ Steel Dev 5⅛ 92	0⅛	99⅝	100⅛	22/6	10.19	10.19
Nippon Credit 5⅛ 90	0⅛	99⅝	100⅛	10/2	13⅜	13.88
Offshore Mining 5⅛ 91	0⅛	99½	100⅛	2/6	10.44	10.42
Scotland Int 5⅛ 92	0⅛	99⅝	100⅛	23/3	13⅛	13.25
Sec Pacific 5⅛ 91	0⅛	100	100½	24/6	10.06	10.04
[illegible]						

CONVERTIBLE BONDS

[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

[illegible]

هكذا من الأصل

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday February 11 1983

Malaysia criticises U.S. tin sales policies, Page 33

WALL STREET

Monetary whispers bring rally

HOPES of a renewed decline in interest rates were fuelled on Wall Street yesterday by unconfirmed reports about the latest developments in Federal Reserve policy, and they helped the Dow Jones industrial average to close for the second time this week within a few points of its all-time high, *writes Duncan Campbell-Smith in New York.*

Early rumours that the 1982 monetary aggregate targets might be kept broadly unchanged for 1983 were warmly received on the stock market and share prices opened strongly. They were also encouraged by a report that Mr Paul Volcker, the Fed's chairman, had expressed confidence in the resumption of the downward trend in interest rates.

The Dow gained nearly 10 points in the first half-hour of a brisk trading session, built steadily on this head-start through the midsession and soared again late in the day to close up 20.33 at 1,087.75.

The other averages also showed comparable gains, with the Dow transportation average up 5.80 to 479.75, and advancing stocks outnumbered those declining by more than 2½ to one. Trading volume was 95.31m.

Revived speculation about a $4 cut in the price of Saudi crude did no apparent harm to the international oil stocks.

Among the blue chips, Texas Instruments regained $1⅞ of a $5 drop on Wednesday, following the announcement of a $48 price cut in its home computer product. The stock closed at $163⅞.

Reynolds Industries reported 1982 sales and earnings at a record level of $7.82 against $7.03. Profits were boosted 80 cents a share by the compensation received from Kuwait in the second quarter last year for nationalised energy properties. The stock gained $1⅝ to $47½.

Prices also rallied sharply in the bond and money markets in a generally much increased level of trading activity. Dealers said they were sceptical that any real change in the market's posture would anticipate the formal statements *to be made by the Fed and its chairman* in the coming days, but a sluggish 0.1 per cent growth in retail sales figures for January reinforced some apparent shortcovering during the afternoon, and lifted prices strongly in the final hour.

The Federal Funds market was the only exception to the firmer tone, and dealers said heavy demand from the New York banks had kept the Funds rate close to 8⅝ per cent for much of the day. The Federal Reserve set up a customer repurchase agreement for $1.5bn at this level.

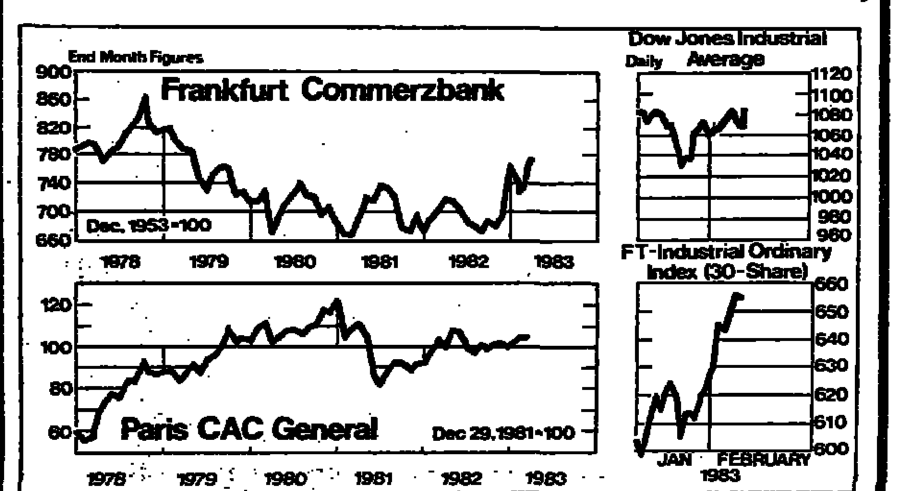
Treasury Bill rates eased about 14 basis points, with the three and six-month bills yielding around 8.40 per cent and 8.70 per cent respectively on a bond equivalent basis.

In the Government and corporate bond markets, Treasury prices closed up about ⅞ on medium maturities and about 1½ at the long end. Good retail demand was seen for government securities as traded by some of the major houses on a zero coupon basis via accrual certificates.

The 10⅞ per cent notes due 1983 were trading on a when-issued basis around 100 15/32 to yield 10.80 per cent, and the 10⅜ per cent long bonds due 2012 around 95⅝ to yield 10.91 per cent.

A broad range of gains was achieved in Toronto, held back only by a reluctance to buy in the base metal sector. Dome Mines advanced after selling its 10.1 per cent stake in Denison on the market, and Denison as a result turned lower. Montreal too had a substantial margin of gains over losses through most of the session.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 10	Previous	Year ago
NEW YORK			
DJ Industrials	1087.75	1067.42	836.66
DJ Transport	479.75	473.95	347.6
DJ Utilities	123.89	123.94	105.4
S&P Composite	147.50	145.00	114.66
LONDON			
FT Ind Ord	654.8	656.0	572.0
FT-A All-share	408.78	408.19	328.73
FT-A 500	443.22	441.78	348.76
FT-A Ind	417.60	416.48	318.60
FT Gold mines	686.1	695.0	285.2
FT Govt secs	78.36	78.27	65.34
TOKYO			
Nikkei-Dow	8017.56	7995.93	7761.11
Tokyo SE	583.22	584.14	574.3
AUSTRALIA			
All Ord.	501.3	503.3	532.5
Metals & Mins.	437.9	435.2	382.5
AUSTRIA			
Credit Aktien	48.84	48.77	54.82
BELGIUM			
Belgian SE	105.61	105.28	96.45
CANADA			
Toronto Composite	2110.2	2082.3	1677.1
Montreal Industrials	360.62	356.60	293.34
Combined	347.56	343.83	276.38
DENMARK			
Copenhagen SE	104.69	104.79	97.51
FRANCE			
CAC Gen	104.10	104.2	107.0
Ind. Tendance	108.00	107.5	118.2
WEST GERMANY			
FAZ-Aktien	257.49	255.56	228.27
Commerzbank	772.70	766.0	696.6
HONG KONG			
Hang Seng	915.51	906.64	1286.4
ITALY			
Banca Comm.	193.97	191.9	185.64
NETHERLANDS			
ANP-CBS Gen	107.9	106.8	87.0
ANP-CBS Ind	94.1	92.9	68.6
NORWAY			
Oslo SE	133.93	134.22	107.9
SINGAPORE			
Straits Times	788.13	784.87	763.93
SOUTH AFRICA			
Golds	958.7	976.9	532.8
Industrial	830.1	826.5	708.9
SPAIN			
Madrid SE	102.99	103.37	107.35
SWEDEN			
J & P	1123.13	1124.78	605.86
SWITZERLAND			
Swiss Bank Ind	304.1	303.6	249.0

GOLD (per ounce)

	Feb 10	Prev
London	$496	$492.50
Frankfurt	$496	$491.50
Zürich	$496.50	$491.50
Paris	$495.45	$497.86
New York futures (Feb)	$503.6	$492.20

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Feb 10	U.S. DOLLAR Previous	STERLING Feb 10	STERLING Previous
£	1.5450	1.5420	–	–
DM	2.4115	2.4300	3.72¾	3.75
Yen	235.10	236.25	363½	365
FFr	6.8330	6.8925	10.55½	10.62¾
SwFr	2.0110	2.0225	3.11	3.12
Guilder	2.6640	2.6790	4.11¾	4.13¼
Lira	1389	1398	2145½	2155
BFr	47.51	47.70	73.40	73.55
C$	1.2265	1.2260	1.8950	1.8905

INTEREST RATES

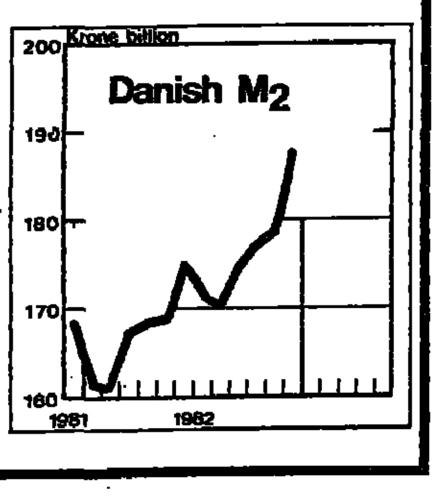
	Feb 10	Prev
Euro-currencies (three month offered rate)		
£	11⅜	11¼
SwFr	2⅝	3
DM	5⅝	5⅞
FFr	18½	21⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 5/16	9 5/16
6-month U.S.$	9⅝	9 11/16
U.S. Fed Funds	8⅝	8½
U.S. 3-month CDs	8.75	8.80
U.S. 3-month T-bills	8.24	8.27

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	74–00	74–05	73–03	72–28
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.90	91.92	91.70	91.66
Cert Deposit (IMM) $1m points of 100%				
March	91.26	91.28	91.03	90.99
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.71	90.71	89.96	90.58
20-year Notional Gilt £50,000 32nds of 100%				
March	100–08	100–16	99–10	99–29
Three-month Sterling Deposit £250,000 points of 100%				
March	89.47	89.58	89.40	89.46

LONDON COMMODITY MARKETS

	Feb 10	Prev
Silver (spot fixing)	903.8p	894.55p
Copper (cash)	£1047.00	£1039.50
Coffee (March)	£1696.50	£1695.50
Oil (spot Arabian light)	$29.67	$29.67



LONDON

Buying appetite fulfilled

ECONOMIC and interest rate considerations, together with sterling's early firmness yesterday, continued to influence London equity market investors. Fresh funds were initially attracted and many leading shares rose to new records but, as soon as investors' demands were fulfilled, short-term operators moved in and realised some of the often substantial profits built up over the past week or so.

A technical reaction after the market's recent advance had been widely expected. In view of the large sums tied up by the Associated British Ports' flotation – and with more being held in reserve for a Superdrug Stores issues next week – the extent of the fall was surprisingly superficial.

Conflicting Middle East reports about the longevity of Opec's crude oil reference price tended to irritate markets before this was countered by Wall Street's early revival, and blue chip stocks reduced falls to minimal amounts. The FT Industrial Ordinary share index closed only 1.2 off on balance at 654.8 but broader indicators ended fractionally harder, with the FT-Actuaries All-Share up 0.1 per cent at a best-ever 408.78.

Government securities remained vulnerable to exchange rate fluctuations. After a firm opening spell, many quotations reverted to near overnight levels before improving again late, the longs by around ¾. Business continued to be relatively light, affected by the counter-attractions of equities and the low level of institutional cash flow this month resulting from the absence of interest dividend payments.

Index-linked issues moved conversely to conventional gilts as funds were raised for Monday's call of £35 per cent on the Treasury 2½ per cent index-linked 2016 issue which, in £25-paid form, eased ¼ to 25⅝.

Vague talk of a possible cash-call in the forthcoming dividend season unsettled the major clearing banks. NatWest came on offer and shed 12p to 520p, while Midland gave up 8p to 330p. Lloyds and Barclays lost 5p apiece to 455p and 435p respectively.

Share information service, Pages 34-35

AUSTRALIA

Industrials hit

INDUSTRIALS for once fared worst in an overall weaker showing by Sydney prices, as bargain-hunting among heavyweight miners provided most with modest gains.

Vehicle, retail, light engineering, banking and transport issues were the focus of selling. The All Ordinaries index lost two points to 501.3, undermined largely by a 4.3 fall in the industrial measure to 643.0, while the resource marker eased a bare 0.1 to 387.1.

Investors were said to be switching to traded options in order to limit their exposure ahead of next month's federal election.

In a dull Melbourne session gold explorer Carr Boyd, a recent speculative star, fell 27 cents to A$1.85.

SOUTH AFRICA

Golds sold

SUSTAINED overseas selling took Johannesburg gold shares still lower as local demand thinned out simultaneously.

A firm bullion price did little to help heavyweights such as Hartebeestpoort which fell R2 to R96 while cheaper priced producers often encountered setbacks of R1.

Elsewhere Palamin in coppers ended 15 cents easier at R17.35 following annual results. Mining financials and platinums were mixed but industrials in good demand.

FAR EAST

Tokyo takes refuge in speculatives

SPECULATIVE issues dominated buying in Tokyo yesterday, but gains there were offset by renewed weakness in international populars as investors gave further consideration to the outcome of the computer secrets case against Hitachi in the U.S.

Hitachi itself shed Y6 of Y23 advance on Wednesday to stand at Y787 in active dealings of 14.75m shares. Volume overall was a moderate 480m. The Nikkei-Dow Jones market average added 21.63 to 8,017.56 but the Tokyo SE index eased 0.92 to 583.22.

The previous evening Hitachi had reaffirmed its commitment to producing IBM-compatible units, and during the day rumours circulated of a possible tie-up between the two companies. A subsequent denial by Hitachi discouraged buyers and led to the stock's eventual downturn.

Another bar to a sustained blue chip upsurge continued to be the high levels of margin debt there and in Osaka and Nagoya, described by one dealer yesterday as a "major bottleneck."

One of the day's major beneficiaries was the shipping sector, under the lead of Japan Line which finished Y23 stronger at Y188 on 37.30m shares, the third most active. Strength in the yen and cheaper crude brought the upturn there as well as renewed strength in the oil shares. Maruzen added Y17 to Y450.

A better performance by mining issues was led by Mitsui Mining and Smelting, affected only slightly on Wednesday by a denial of a rumoured gold find. It rebounded Y50 to Y660 on 39.22m shares.

Margin trading is to be tightened from today in Mitsui and in Keisei Electric Railway, up Y31 to Y426 and again volume leader with 50.54m shares changing hands.

An afternoon of moderate buying left Hong Kong stocks ahead despite the opposing force of profit-taking, also in evidence. The Hang Seng index ended 8.87 higher at 915.51, its highest since the end of September.

The trading sector was again to the fore, with a gain of 30 cents for Swire Pacific at HK$11.20 and 20 cents for Jardine Matheson at HK$14.40. Banks were unchanged to firmer.

An actively but selectively higher Singapore trade took the Strait Times industrial index 3.26 upward to 788.13, now within reach of the 800 mark. Hume Industries featured with an 18 cent rise to S$3.88.

EUROPE

Currency strengths spill over

THE BOURSES gave a somewhat more enthusiastic welcome yesterday to the strengthening in domestic currencies against the U.S. dollar than they managed on Wednesday. Investors in the main appeared this time to shrug off further overnight weakness on Wall Street, leaving share values in most centres moderately to the good.

With the D-Mark particularly strong all round, Frankfurt flourished, though stocks received additional support from a firm domestic bond market and growing faith in the conservative CDU and CSU parties' ability to retain power.

Foreign buying was in evidence with greater vigour than recently, and the Commerzbank index gained 6.7 to 772.7.

Banks were in favour, with Bayernhypo up DM 1.80 to DM 249.50 on news of an increased dividend, Commerzbank DM 2.40 to DM 129.90 and Dresdner DM 1.20 to DM 139.50.

The mood of the bond market improved placement chances for a DM 1bn post office issue on Wednesday with a 7.75 per cent coupon.

Somewhat more hesitant progress in Zurich was still sufficient to provide a new 1982-3 peak for the Swiss Bank Corp industrial index, a half-point firmer at 304.1.

Banks and financials traded narrowly mixed despite firmness in the bond market there, too. Insurances were stronger, however, while chemicals led the industrial sector. Sandoz added SwFr 25 to SwFr 4,950 and Ciba-Geigy SwFr 15 to SwFr 1,805.

Stockholm steadied after profit-takers had begun on Wednesday to chip away at the gains achieved in the market's heady rise over the past four months. Volvo was unchanged but Saab-Scania edged SKr 1 up at SKr 258.

Brisk trading in Milan added to gains recorded earlier in the week across a broad front. Professional speculation was said to have been prominent, and many issues reached their highest levels in years.

Fiat gained initially on expectations of positive results but later fell back to end L123 weaker at L2,231. Banks and insurances came to the force in after-hours dealings.

Institutional investors lent support to an otherwise dull Paris session, where electricals, metals and chemicals gained ground. Bouygues stood out in easier constructions after forecasting strong growth for the year, ending FFr 14 up at FFr 759.

Internationals were cautiously improved in Amsterdam. A strong earnings turnround by Oce-Van der Grinten brought its stock a Fl 1 gain to Fl 185. Unofficial dealings in troubled shipbuilder RSV saw its price eroded to Fl 3 against its last official close of Fl 12.

Non-ferrous metals, oils and utilities showed selective advances in Brussels. Among the strongest gains in a lacklustre day was a BFr 85 rise for Hoboken to BFr 4,220. Electricals and banks contributed to weakness in Madrid.

NEW YORK STOCK EXCHANGE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
10⅞	5¼	AAR	.44	4.5	23	20	9⅞	9¼	9¼	
38	27½	ACF	2.76	8.0	6	339	34⅝	34½	34⅝	
22⅞	12¼	AMF	1.36	7.4	35	1282	18½	18⅛	18⅜	−⅛
25¾	10⅞	AMR Co				1886	22½	21¾	22⅛	+¼
12⅞	4	AMR	wt			962	10½	10	10¼	+½
17⅞	12¼	AMR	pf2.18	13.		67	17⅛	17	17⅛	
28½	25⅞	AMR	pf2.13	8.1		260	26⅝	26⅛	26⅛	−⅛
5⅜	2½	APL			19	13	3⅜	3⅜	3⅜	−⅛
38	23½	ARA	2	5.5	11	95	36½	35⅝	36¼	+1¼
75⅞	24½	ASA	3a	4.0		2095	77	74½	75⅜	+1⅝
26⅞	12¼	AVX	.32	1.2	42	369	26⅞	26	26¾	+1
41⅞	27	AbtLab	.84	2.3	15	2560	37⅞	36⅞	37¼	+⅝
23¾	15⅜	AcmeC	1.40	7.5	21	41	19	18¾	18¾	+⅛
11	5⅛	AcmeE	.32b	3.1	27	206	10⅞	10¼	10⅜	+¼
10¾	4⅛	AdmDg	.04	.4	10	170	9½	9⅛	9½	+½
17⅞	12½	AdaEx	1.73e	11.		50	15½	15¼	15⅜	+¼
9¾	4⅝	AdmMI	.20e	2.3	16	67	9¼	8⅝	8⅞	−⅛
17½	12⅞	Advest	s.16	1.0	10	149	16⅝	15⅞	16⅜	+1⅜
38¾	11⅛	AMD	s		53	1275	35¼	34¼	35	+1¼
48¾	32⅞	AetnLf	2.52	7.3	7	3069	34⅝	33½	34½	+1⅛
63¾	52⅞	AetL	pf2.49e	3.8		467	u65	63½	65	−1¼
33⅞	8	Ahmns	.60	2.1		80	28⅞	27½	28⅛	+⅞
4	2⅞	Aileen				124	3⅜	3¼	3¼	
46	23⅝	AirPrd	.80	1.8	13	670	43⅜	42⅞	43¼	+⅜
20¼	7⅜	AirbFrt	.60	3.2	24	158	19⅛	18⅝	18¾	−⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
29⅞	14¼	Bamco	.50	1.9	8	78	26½	26¼	26½	
34¼	17⅞	BkrIntl	.92	4.3	8	2094	21⅞	20⅞	21½	+¼
25⅝	16¼	Baldor	.32	1.3	17	35	25⅜	24⅞	25¼	+½
50⅞	20¾	BallU	s.88	2.9	6	621	30¾	29⅞	30⅛	+⅛
151	61	BallU	pf2.06	2.3		1	89	89	89	+¼
32	16⅛	BallCp	s1.04	3.6	9	182	29⅜	29	29	
32⅛	22⅛	BallyMf	.20	.8	7	1849	24⅛	23⅞	23¾	−⅛
30⅞	23½	BaltGE	2.84	9.6	7	232	29⅞	29½	29⅝	−⅛
35½	14⅞	BanCal	1.20	3.5	19	350	35	33½	34	+¼
8⅞	5½	BanTex	.20	3.0	11	138	6⅝	6½	6⅝	+⅛

C—C—C

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
77	57⅞	CinG	pf8.30	13.		z20	72⅞	72⅞	72⅞	+⅞
60¼	46	CinG	pf7.44	13.		z130	59	59	59	−½
33⅞	19½	CinMil	.72	2.3	23	604	32	30⅞	31⅞	+1
40	21½	Citcorp	1.72	4.9	6	4528	35⅛	34⅞	35⅛	+⅝
31¾	16⅝	CityInv	1.70	6.1	8	958	27⅞	26¾	27⅞	+1⅛
48	26	CityIn	pf	2.4	8	13	42	42	42	+1½
9⅞	5	Clabir	.60b	6.3	95	430	u9⅝	9½	9½	−½
32¾	18	ClarkE	1.10	3.7		79	30⅛	29⅞	29⅞	−⅞
32	18	ClvCif	1	4.7		329	21⅞	21⅛	21½	
20¾	15	ClevEl	2.28	11.	7	723	20	19¾	19⅞	
14	7	Clevpk	.60	4.6	11	84	13¼	13	13⅛	

E—E—E

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
51¼	21⅞	ESyst	.70	1.4	20	155	49	48½	49	+⅛
19	9⅝	EagleP	.96	5.0	17	348	u20	19	19¼	+⅝
26⅛	16⅜	Easco	1.32	5.8	8	53	23	22⅝	22⅞	−⅛
10⅛	4½	EastAir				831	9½	9⅛	9¼	
5¼	2⅛	EAL	wtO			135	5	4⅞	4⅞	−⅛
17⅛	13	EsAir	pf2.69	16		23	17⅛	16⅞	17⅛	−⅛
20	14⅜	EsAir	pf3.20	17		76	19	18⅞	18⅞	−⅛
25	14⅜	EastGF	1.30	6.0	7	699	22	21⅝	21½	−⅛
15⅛	11½	EastUtl	1.70	12.	7	127	14½	14	14½	−⅛
98⅞	65⅞	EsKod	3a	3.6	12	3812	85⅞	83⅞	84½	+1
35⅞	22⅞	Eaton	.80	2.5	15	857	31⅛	31	31½	+½

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 31

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 32

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29⅜	17⅛	WelFM	2.80	11	13	61	25⅞	25⅜	25½	−¼
16¼	8⅝	Wendy	s.24	1.5	14	7680	16	14⅜	15⅝	+1⅝
22⅞	12⅛	West	s.36	1.8	13	85	20⅜	19⅞	20¼	+⅛
39¾	31¼	WPenP	pf4.50	12		z100	38	38	38	−1
44¼	19¾	WstPtP	2	4.6	10	194	43⅝	42½	43¼	+⅞
12⅞	9	WstctT	g1.04			11	12	11¾	11⅞	
7	3⅞	WnAirL				444	6¾	6½	6⅝	+⅛
17¼	8⅝	Wac	cl			12	16⅞	16½	16⅝	+⅛

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. rw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Feb 10	Vars.
AMCA Int.	24¾	+ 1⅛
Abitibi	19½	-
Agnico Eagle	19	+ ⅛
Alberta Energy	15⅝	+ ⅛
Alcan Alumn	35⅝	+ ⅛
Algoma Steel	30⅝	+ 1⅛
Asbestos	10½	- ⅛
Bk Montreal	28	+ ⅛
Bk Nova Scotia	35	+ ⅜
Basic Resources	2.29	- 0.01
Bell Canada	23⅝	+ ⅛
Bombardier A	13⅝	+ ⅛
Bow Valley	18⅝	- ⅛
BP Canada	43	-
Brascan A	24⅛	+ ½
Brinco	3.5	+ 0.05
B. C. Forest	10¼	+ ½
CIL Inc	24⅛	-
Cadillac Fairv.	8⅛	-
Can Cement	14⅞	- ⅛
Can NW Energy	55¾	+ 1⅞
Can Packers	36½	-
Can Trusco	33⅞	+ ⅞
Can Imp Bank	32⅞	+ ⅜
Canadian Pacific	42	+ ½
Can. P. Ent.	21⅛	+ ⅜
Cdn Tire	56	+ 1
Carling O'Kfe	13	- ⅜
Chieftain	24⅞	-
Cominco	52¾	+ ⅜
Cons Bathst A	17⅞	+ ⅛
Coseka Resources	4.5	-
Costain	7½	-
Daon Devel	2.49	-
Denison Mines	30⅞	- ⅛
Dome Mines	25	+ 1⅛
Dome Petroleum	4.1	-
Dom Foundries A	40	+ ⅛
Dom Stores	16⅛	+ ⅜
Domtar	22⅝	- ⅜
Falcon Ltd.	53½	+ 1
Genstar	21⅝	+ ⅛
Grant Y'knife	27½	+ 1⅜
Gt West Life	185	-
Gulf Canada	14¾	+ ¼
Gulfstream Res.	1.7	-
Hawk Sid Can	16	+ ½
Hudson Bay Mng	21⅞	- ¼
Hudson's Bay	20¾	+ ¼
Husky Oil	9⅝	+ ¾
Imasco	33⅞	+ ⅞
Imp Oil A	28⅝	-
Inco	15½	- ⅛
Indal	18⅛	-
Interpr Pipe	24½	+ ⅝
Mac. Bloedel	28⅛	+ ⅛
Marks & Spencer	8⅝	+ ⅛
Massey-Ferg	4.75	+ 0.1
McIntyre Mines	29¼	+ ¾
Mitel	30¼	- ⅝
Moore Corp	58	+ 1⅛
Nat. Sea Prods A	10½	-
Noranda Mines	24⅛	+ ⅛
Nova Alberta	8⅜	+ ¼
Nthn Telecom	95¾	+ 1¾
Oakwood Pet	15	+ ½
Pacific Copper	1.08	+ 0.02
Pancanadian Pet	89½	+ 3
Patino	21	-
Placer Devt	23	+ 1
Power Corp Can	13⅝	+ ⅛
Quebec Strgn	8⅛	+ ⅜
Ranger Oil	8⅝	+ ⅛
Reed Stenhse A	15	+ ⅛
Rio Algom	43¾	+ ¼
Royal Bank	28⅞	+ 1⅛
Royal Trustco A	20¼	- ⅛
Sceptre Res	6	- ⅛
Seagram	100⅛	+ 1¼
Shell Can A	21	- ⅜
Steel of Can A	25	-
Tech B	11⅞	+ ⅛
Texaco (Canada)	28¾	+ ¼
Thomson News A	27⅞	- ⅛
Toronto Dom Bank	43¾	+ ⅛
Transalta A	20¾	- ⅛
Trans. Can. Pipe	25¾	- ⅛
Walker (H) Res	22½	+ ⅛
Westcoast Trans	14¾	+ ½
Weston (Geo)	47½	+ 1

AUSTRIA

Feb. 10	Price %	+ or —
Creditanstalt	208	......
Goesser	193	......
Interunfall	365	......
Landerbank	205	+1
Perlmooser	262	+2
Steyr Daimler	150	......
Veitscher Mag	175	+1

BELGIUM/LUXEMBOURG

Feb. 10	Price Frs.	+ or —
ARBED	1,120	—10
Banq Int A Lux	3,900	......
Bekaert B	2,265	—5
Ciment BR	1,720	+5
Cockerill	95	......
Delhaize	3,900	......
EBES	2,025	+15
Electrobel	4,620	+20
Fabrique Nat	2,850	+16
G.B. Inno	2,755	—5
GBL (Brux)	1,595	—5
Gevaert	1,785	......
Hoboken	4,220	+85
Intercom	1,590	+5
Kredietbank	4,500	......
Pan Hldgs	7,500	......
Petrofina	47,05	+55
Royale Belge	6,400	—30
Soc Gen. Banq	2,485	+10
Soc Gen Belge	1,354	+4
Sofina	4,010	+10
Solvay	2,320	—15
Traction Elect	2,795	—15
UCB	2,825	+20
VielleMont	4,160	+45

DENMARK

Feb. 10	Price %	+ or —
Aarhus Olie	374.2	—2.2
Andelsbanken	176	......
Baltica Skand	325	—5
CopHandelsbank	197	......
D. Sukkerfab	412.6	—2.6
Danske Bank	199.4	+0.6
East Asiatic	93	+1
Forende Brygg	679	—1
Forende Damp	159	......
GNT Hldg	188.0	+1.6
I.S.S.B.	281.4	—0.4
Jyske Bank	315.0	—0.6
Novo Ind	2030	—40
Privatbanken	186.4	......
Provinsbanken	159.6	+2.0
Smidth (F.L.)	184.4	+1.8
Sophus Berend	600	......
Superfos	120	+5

FRANCE

Feb. 10	Price Frs.	+ or —
Emprunt 4½% 1973	2,105	—40
Emprunt 7% 1973	9,100	—80
CNE 3%	2,952	+2
Air Liquide	412.5	—3.5
BIC	405	—4.9
Bouygues	759	+14
BSN Gervais	1,360	+15
CIT Alcatel	870	+9
Carrefour	1,261	+11
Club Mediter	467.9	—11.1
CFAO	448	+6
Cie Bancaire	289.5	+2.5
Cofimeg	131	—0.5
Creusot Loire	58	+1.8
Darty	708	—3
Dumez	1,054	+12
Eaux (Cie Gen)	244.8	+8.8
Elf-Aquitaine	119	+1.8
Gen. Occidental	416	+12
Imetal	53.7	+1.9
Lafarge-Coppee	261	—3.1
L'Oreal	1,100	—1
Legrand	1,705	+35
Maisons Phenix	363	—0.5
Matra	1,190	—15
Michelin B	700	—8
Midi (Cie)	650	—15
Moet-Hennessy	849	+9
Moulinex	68.5	+0.3
Nord Est.	52.8	+1.4
Pernod Ricard	410	—3
Perrier	237	+2
Petroles (Frq.)	137	—1
Peugeot SA	140	—1.4
Poclain	92.5	—0.5
Printemps Au	106	—2
Radiotech	350	+1
Redoute	843	—1
Roussel-Uclaf	257	+2
Schneider	94.5	+0.7
Sefimeg	176	+1
Skis Rossignol	704	—16
Telemech Elect.	932	+1
Thompson (CSF)	170	+32
Valeo	230	+2

GERMANY

Feb. 10	Price Dm.	+ or —
AEG-Telef	28.5	-0.2
Allianz Vers	496	+6
BASF	123.8	+1.1
BAYER	121.4	+0.9
Bayer-Hypo	249.5	+1.8
Bayer-Verein	294.5	+0.5
BHF-Bank	221	+1.5
BMW	242.2	......
Brown Boveri	219	+14
Commerzbank	129.9	+2.4
Conti Gummi	74	+0.5
Daimler Benz	394	......
Degussa	244	+2
Demag	129	+2
D'sche Babcock	139	+1
Deutsche Bank	266.5	+1.6
Dresdner Bank	139.5	+1.2
GHH	164.9	+3.4
Hochtief	475	......
Hoechst	121.7	......
Hoesch	35.2	—0.1
Holzmann (P)	499	+5.5
Horten	118.7	......
Kali und Salz	159	......
Karstadt	205	+2
Kaufhof	199.5	+3
KHD	208	+5
Kloeckner	44.7	—0.5
Krupp	57	—2
Linde	320	+1
Lufthansa	94.3	......
MAN	138	—1.5
Mannesman	147	—0.2
MercedesHld	357.5	+1.7
Metallgesell	244	+8
Muench Rueck	795	+5
Preussag	213.5	+1
Rhein West Elect	192	+2
Rosenthal	279	+5
Schering	304.5	......
Siemens	270.5	+3.5
Thyssen	69.3	+1
Varta	175	+1.1
Veba	142.7	+1.5
V.E.W.	124.8	+2.5
Verein-West	287	+1
Volkswagen	156.2	+1.3

HOLLAND

Feb. 10	Price Fls.	+ or —
ACF Holding	120	+1
Ahold	129	—1
AKZO	42.0	+1.3
ABN	305	+3
AMEV	106.2	—0.1
AMRO	44.5	—1.1
Bredero Cert	177	—3
Boskalis West	36.0	+1.5
Buhrmann Tet	35.8	+0.3
Caland Hlds	27.3	+0.2
Elsevier NDU	196.0	+0.5
Ennia	127.5	-0.5
Euro Comm Tst	72	+1

HOLLAND (continued)

Feb. 9	Price Frs.	+ or —
Gist-Brocades	138.0	+4.5
Heineken	109.2	—0.1
Hoogovens	16.5	......
HunterDouglas	13.1	—0.2
Int Muller	20.8	......
KLM	154.5	—0.5
Naarden	29.2	+1.1
Nat Ned cert	128.8	—0.4
Ned Cred Bank	25.0	—0.7
Ned Mid Bank	118.0	+5.3
Ned Lloyd	90.0	+1.0
Oce Grinten	185.0	+1
OmmerenVan	18.8	+0.1
Pakhoed	43.8	+0.8
Philips	33.9	—0.4
Rijn-Scheide	12.1	......
Robeco	256.0	—0.2
Rodamco	125.9	—0.2
Rolinco	241.0	—0.8
Rorento	181.0	—1
Royal Dutch	98.1	+1.5
Stavenburgs	68	......
Tokyo Pac Hg	227	—1
Unilever	197.8	+0.8
Viking Re	110	+1
Vmf Stork	61.5	......
VNU	68.5	+0.5
West Utr Bank	85.0	......

ITALY

Feb. 10	Price Lire	+ or —
Banca Com'le	35,800	+1000
Bastogi IRBS	196	+7.8
Centrale	2,400	+46
Credito Vareaino	5,550	+150
Fiat	2,231	—123
Finsider	57	- 16
Generali (Assic)	117,700	+1,200
Invest	2,418	+108
Italcement	36,350	+1,050
Montedison	120	+4.4
Olivetti	2,494	+13
Pirelli Co.	2,563	+55
Pirell Spa	1470.4	+30.4
Snia Viscosa	876	+17
Toro Assic	12,515	+215
do. Pref	8,450	+101

NORWAY

Feb. 10	Price Kronor	+ or —
Bergens Bank	114.5	......
Borregaard	107.5	— 1
Christiana	126.5	+0.5
Creditbank	138	+0.5
Elkem	58.5	......
Norsk Data	206	......
Norsk Hydro	280	— 1
Storebrand	149	— 1

SPAIN

Feb. 10	Price %	+ or —
Bco Bilbao	211	—3
Bco Central	261	—2
Bco Exterior	200	......
Bco Hispano	225	......
Bco Santander	216	—1
Bco Vizcaya	274	—2
Dragados	120.5	—1.5
Hidrola	53.7	+0.5
Iberduero	46	— 1.2
Petroleos	75	......
Telefonica	61	—0.7

SWEDEN

Feb. 10	Price Kroner	+ or —
AGA	315	......
Alfa Laval	385	......
ASEA (Free)	365	+7
Astra (Free)	1250	......
Atlas (Copco)	116	—2
Boliden	370	+3
Cardo (Free)	700	......
Cellulosa	570	......
Electrolux B	174	+1
Ericsson	365	—2
Esselte (Free)	220	—1
Fagersta	195	—5
Fortia (Free)	375	—4
Mo och Dom	227	—3
Saab-Scania	258	+1
Sandvik B (Free)	215	......
Skandia	780	—5
Skan Enskilda	251	+1
SKF B	160	......
St Kopparberg	450	+8
Sven Handelsbn	140	+7
Swedish Match	207	+4
Volvo B (Free)	341	......

SWITZERLAND

Feb. 10	Price Frs.	+ or —
Alusuisse	612	+3
Bank Leu	4,076	—75
Brown Boveri	990	......
Ciba-Geigy	1,805	+15
do (Part Certs)	1,440	—5
Credit Suisse	1,920	—20
Elektrowatt	2,740	+5
Fischer (Geo)	510	+5
Genevoise	3,700	—100
Hoff-Roche PtCts	78,500	+250
Hoff-Roche 1/10	7,850	+75
Jacob Suchard	5,625	......
Jelmoli	1,560	+10
Landis & Gyr	1,030	......
Nestle	3,940	+10
Oer-Buehrle	1,300	— 25
Pirelli	244	......
Sandoz (B)	4,950	—25
Sandoz (Pt Cts)	748	+10
Schindler Pt.Cts	545	......
Swissair	769	—2
Swiss Bank	316	......
Swiss Reinsce	7,310	+85
Swiss Volksbk	1,230	—10
Union Bank	3,170	......
Winterthur	2,715	—15
Zurich Ins	17,600	+100

AUSTRALIA

Feb. 10	Price Aust. $	+ or —
ANZ Group	3.42	-0.06
Acrow Aust	1.25	......
A.O.D.	0.62	......
Ampol Pet	1.30	......
Assoc. Pulp Pap	1.85	......
Aust. Cons. Ind	1.12	—0.01
Aust. Guarant	2.15	......
Aust. Nat. Inds	2.15	......
Aust. Paper	1.85	— 0.01
Bond Hldgs	0.95	......
Boral	2.30	— 0.05
Bougainville	2.25	+ 0.02
Brambles Inds	2.38	—0.02
Bridge Oil	2.6	......
BHP	6.38	—0.04
CRA	3.65	+ 0.05
CSR	2.75	— 0.05
Carlton & Utd	2.25	—0.1
Castlemaine Tys	4	— 0.05
Coles (G.J.)	2.36	— 0.11
Comalco	1.9	......
Consolidated Pet	0.12	—0.01
Costain	1.2	......
Dunlop	1.04	+ 0.01
E.Z. Inds	4.85	......
Elders IXL	2.7	— 0.05
Energy Res	1.42	......
Gen. Prop. Trust	1.64	—0.01
Griffin Coal	6.00	......
Hardie (J.)	3.4	+ 0.05
Hartogen Energy	1.58	- 0.02
HeraldW'y Times	2.12	- 0.06
ICI Aust.	1.52	......
Jimbalana (50cP)	0.25	+ 0.02
Kia Ora Gold	0.24	......
Lend Lease	3.30	......
Leonard Oil	0.09	......
MIM	3.9	—0.05
Mayne Nkless	2.45	- 0.05
Meekatharra	2.4	......
Myer Emp.	1.1	0.05
Nat. Aus. Bk.	2.50	......
News	2.05	- 0.05
Nicholas Kiwi	1.82	......
North Bkn Hill	2.35	- 0.03
Oakbridge	1.25	......
Otter Expl	0.80	......
Pancon	1.6	......
Pioneer Co	1.53	- 0.02
Reckitt & Colman	1.73	—0.02
Repco	0.95	—0.03
Santos	4.62	— 0.16
Smith (H)	3.05	......
Southland Min'g	0.22	......
Spargos Expl	0.24	- 0.01
Thos. Natwide	1.52	- 0.03
Tooth	2.7	+ 0.05
UMAL Cons	1.85	......
Vamgas	6.2	+ 0.1
Western Mining	3.67	0.11
Westpac	2.49	- 0.04
Woodside Petrol	0.73	- 0.01
Woolworths	1.56	— 0.02
Wormald Intl	2.95	— 0.05

HONG KONG

Feb. 10	Price H.K. $	+ or —
Bank East Asia	27.20	......
Carrian Invest	0.87	......
Cheung Kong	8.40	+ 0.15
China Light	14.1	+ 0.1
HangLung Devel.	1.68	......
Hang Seng Bank	50.00	......
HK Electric	4.97	+ 0.05
HK Kowloon Whf	3.07	— 0.05
HK Land	4.10	......
HK Shanghai Bk.	8.45	- 0.05
HK Telephone	31.00	- 0.25
Hutchison Wpa	12.7	+ 0.2
Jardine Math	14.4	- 0.2
New World Dev	3.35	+ 0.05
Orient O'seas	2.27	+ 0.02
O'Seas Trust Bk.	4.40	+ 0.15
SHK Props	6.15	+ 0.15
Swire Pac A	11.2	+ 0.3
Wheel'k Mard A.	3.45	+ 0.05
WheelockM'time	2.00	......
World Int. Hold's	1.42	+ 0.01

JAPAN

Feb 10	Price Yen	+ or —
Ajinomoto	865	+ 1
Alps Electric	1,800	— 30
Amada	590	— 1
Asahi Chem	277	— 1
Asahi Glass	512	— 3
Bridgestone	455	— 5
Canon	1,090	— 10
Casio Comp	999	— 1
Chugai Pham	1,140	— 30
Citizen	320	......
Daiei	630	— 5
Dai Nippon Ptg	714	+ 11
Daiwa House	473	— 1
Ebara	345	— 5
Eisai	1,260	— 20
Fanuc	4,450	......
Fuji Bank	500	......
Fuji Film	1,620	......
Fujisawa	1,230	— 10
Fujitsu	924	— 4
Green Cross	1,520	......
Hasegawa	475	......
HeiwaReal Est	538	+ 3
Hitachi	787	— 6
Hitachi Credit	1,190	— 10
Honda	956	— 11
Housefood	910	— 15
Hoya	805	— 25
Itoh (C)	301	— 5
Ito Yokada	1,160	+ 10
Iwatsu	1,060	+ 20
JACCS	433	— 2
JAL	2,360	— 20
Jusco	593	— 8
Kajima	327	— 1
Kao Soap	553	— 2
Kashiyama	642	— 3
Kirin	383	— 2
Kokuyo	766	+ 1
Komatsu	497	— 4

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

JAPAN (continued)

Feb. 10	Price Yen	+ or —
Konishiroku	581	— 4
Kubota	324	+ 1
Kumagia	375	—1
Kyoto Ceramic	4,300	— 90
Maeda Const	515	— 2
Makino Milling	720	— 7
Makita	761	—9
Marubeni	280	......
Marudai	560	......
Marui	887	......
MEI	1,190	— 10
M'ta Elec Works	541	......
M'bishi Bank	500	......
M'bishi Corp	525	— 1
M'bishi Elect	370	— 6
M'bishi Estate	446	— 1
MHI	227	— 2
Mitsui Co	350	— 8
Mitsui Est	760	—8
Mitsukoshi	351	+ 1
NGK Insulators	498	— 7
Nihon Cement	185	......
Nippon Denso	1,160	— 10
Nippon Elect	923	— 11
Nippon Express	167	—4
Nippon Gakki	640	— 1
Nippon Kokan	133	— 3
Nippon Oil	995	— 5
Nippon Seiko	404	— 1
Nippon Shimpan	792	— 8
Nippon Steel	150	— 4
Nippon Suisan	280	— 3
NTV	4,150	— 10
Nippon Yusen	259	— 11
Nissan Motor	755	— 5
Nisshin Flour	333	—7
Nisshin Steel	142	— 3
Nomura	657	+ 2
Olympus	1,040	— 20
Omron Tateisi	915	......
Orient Leasing	2,500	— 60
Pioneer	2,220	— 30
Renown	620	— 5
Ricoh	673	— 7
Sankyo	790	+ 5
Sanyo Elect	434	......
Sapporo	251	— 5
Sekisui Prefab	650	— 6
Seven Eleven	6,190	+ 90
Sharp	1,120	......
Shimadzu	476	— 7
Shionogi	830	— 13
Shiseido	929	+ 2
Sony	3,260	—40
Stanley	440	......
S'tomo Elect	476	— 9
S'tomo Marine	217	......
Taihei Metal	155	— 3
Taihei Dengyo	469	— 1
Taisei Corp	225	......
Taisho pharm	617	— 4
Takeda	870	— 1
TDK	4,120	— 20
Teijin	226	— 1
Teikoku Oil	780	— 15
Tokio Marine	494	—4
TBS	499	— 1
Tokyo Elect.Pw	1,030	— 40
Tokyo Gas	125	— 1
Tokyo Sanyo	420	— 5
Tokyo Style	828	— 2
Tokyo Corp	226	+ 4
Toppan Print	498	— 2
Toray	352	— 5
Toshiba	334	— 4
TOTO	427	— 1
Toyo Seikan	466	— 9
Toyota Motor	970	— 1
Victor	1,900	......
Wacoal	666	......
Yamaha	580	......
Yamanouchi	1,260	— 10
Yamazaki	515	— 8
Yasuda Fire	244	— 3
Yokogawa Bdge	417	— 1

SINGAPORE

Feb. 10	Price $	+ or —
Boustead Bhd	2.07	— 0.04
Cold Storage	4.58	— 0.02
DBS	8.0	......
Fraser & Neave	7.4	......
Genting	3.34	— 0.02
Haw Par	2.46	......
Inchcape Bhd	2.80	— 0.01
Malay Banking	6.70	+ 0.05
Malay Brew	4.70	......
OCBC	9.15	+ 0.05
Sime Darby	2.46	......
Straits St'mship	1.85	......
Straits Trading	5.8	......
UOB	3.96	......

SOUTH AFRICA

Feb. 10	Price Rand	+ or —
Abercom	3	......
AE & CI	8.85	+ 0.10
Anglo Am. Coal	28.5	......
Anglo Am.	22.1	— 0.1
Anglo Am Gold	141	......
Barclays Bank	15.25	......
Barlow Rand	12.8	......
Buffels	72	......
CNA Invest	11.70	— 0.05
Currie Finance	3.45	+ 0.05
De Beers	8.7	......
Driefontein	40.25	— 1.25
FS Geduld	60	— 2
Gold Fields SA	151.5	— 1.5
Highveld Steel	5.10	......
Nedbank	11.75	......
OK Bazaars	27	......
Protea Hldgs	3.15	......
Rembrandt	18.5	+ 0.5
Rennies	6.85	+ 0.10
Rustenburg	7.90	— 0.15
Sage Hldg	4.70	......
SA Brews	7.30	......
Smith (C.G.)	20.50	......
TongaatHuletts	9.5	......
Unisec	4.5	......

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arien Elect	350	—11
Bailey (Ben)	33	+13
CRA	233	+ 5
Dale Elect	90	+10
Gold Fields SA	£88¼	— 2½
ICI	394	—
Imperial Group	124	— 6
Land Sec	306	— 2
Mellins	228	—18
NatWest Bank	520	—12
RTZ	432	+ 2
Whatlings	58	—10

ACTIVE STOCKS WEDNESDAY'S

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
B'o-Isolates	22	435	+35
Ultramar	21	490	—10
Lon. & Liv. Tst.	19	603	— 7
GEC	19	210	—10
BAT Inds	17	715	—10
De Beers Dfd	17	495	—10
Auto'ted Sec	16	450	+28
Cns Gold Flds	16	555	—15
Inter-City Inv	16	40	+ 6
Mellins	16	246	+10
Rank Org	16	124	+10
Beecham	14	367	+ 4
Laporte	14	260	+10
Std Chartered	14	450	+22

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	62	15	20
Corpns. Dom. and Foreign Bonds	26	8	42
Industrials	329	218	784
Fin. and Props.	145	101	268
Oils	31	23	57
Plantations	6	2	14
Mines	22	62	65
Others	60	40	50
Totals	681	469	1,300

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (183)

AMERICANS (4)
CANADIANS (4)
BANKS (2)
BREWERS (2)
BUILDINGS (23)
CHEMICALS (6)
DRAPERY AND STORES (5)
ELECTRICALS (9)
ENGINEERING (4)
FOODS (1)
HOTELS (1)
INDUSTRIALS (19)
MOTORS (4)
NEWSPAPERS (1)
PAPER (5)
PROPERTY (7)
SHIPPING (2)
SOUTH AFRICANS (5)
TEXTILES (5)
TRUSTS (64)
OIL AND GAS (1)
PLANTATIONS (1)
MINES (6)

NEW LOWS (8)

FOREIGN BONDS (1)
Chinese 5pc 1912
BUILDINGS (1)
Cement-Roadstone
ELECTRICALS (2)
Breville Europe Newman Inds.
ENGINEERING (1)
Castings
OIL AND GAS (3)
Energy Capital Global Nat. Res.
Sunmask

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27

For rate indications see end of Share Information Service

Increased demand for Options saw calls done in Mellins, *Britoil*, *Polly Peck*, *Bats*, *Pan*continental, Merrydown Wine, Woolworth, Helene of London, Smith St. Aubyn, Burmah, Sturla, Davy, First National Finance, Gill and Duffus, Enterprise Gold, London Investment Trust, Suter Deferred, Combined Technologies, BSG, Exco International, Keep Investment, Rothmans International, Habit Precision, AGB Research.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thurs Feb 10 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Feb 9 Index No.	Tues Feb 8 Index No.	Mon Feb 7 Index No.	Fri Feb 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	448.05	+0.6	8.84	3.82	14.14	445.36	438.00	434.61	438.21	374.76
2	Building Materials (24)	436.02	+1.4	9.68	4.35	12.44	429.99	428.49	423.83	429.39	332.86
3	Contracting, Construction (30)	782.28	+0.8	11.26	4.22	10.58	776.09	775.41	768.24	765.48	589.73
4	Electricals (32)	1671.75	+0.6	7.20	2.07	17.82	1662.56	1616.31	1603.13	1601.93	1262.13
5	Engineering, Contractors (10)	421.32	+2.0	16.64	7.10	7.34	413.17	406.26	405.98	404.52	520.77
6	*Mechanical Engineering (66)*	211.00	+0.4	10.77	5.53	11.57	210.18	207.43	206.03	206.25	199.05
8	Metals and Metal Forming (11)	170.55	—0.5	12.75	7.29	9.42	171.38	169.23	166.29	167.82	174.28
9	Motors (18)	87.37	—0.9	0.65	7.28	—	88.20	86.70	85.50	85.81	99.18
10	Other Industrial Materials (17)	411.34	+0.2	8.51	5.19	14.61	410.46	407.32	405.37	406.88	410.06
21	CONSUMER GROUP (200)	421.82	—	9.94	4.22	12.20	421.71	420.87	418.85	419.97	296.42
22	Brewers and Distillers (23)	476.40	—0.1	10.64	4.49	11.47	476.78	475.75	468.21	469.66	290.56
25	Food Manufacturing (21)	345.93	+0.5	13.21	5.33	8.88	344.18	344.67	342.63	340.19	284.66
26	Food Retailing (14)	862.11	+0.2	7.38	2.81	17.02	859.96	855.04	840.79	853.99	600.20
27	Health and Household Products (8)	731.49	+1.5	5.39	2.49	22.02	720.80	720.22	716.64	712.98	387.26
29	Leisure (24)	508.89	+0.3	8.08	4.74	16.08	507.57	501.30	498.77	485.15	446.26
32	Newspapers, Publishing (13)	728.49	+1.3	8.49	4.45	15.71	719.36	710.85	711.48	707.86	501.87
33	Packaging and Paper (14)	165.23	+0.2	14.10	6.78	8.33	164.95	162.47	162.18	163.46	148.27
34	Stores (47)	360.43	—0.8	8.39	3.82	15.78	363.45	363.02	364.40	364.83	268.75
35	Textiles (22)	193.14	+0.5	13.01	5.71	9.26	192.28	191.06	190.00	188.40	169.37
36	Tobaccos (3)	499.44	—1.6	17.57	5.55	6.29	507.59	510.25	518.56	515.33	318.78
39	Other Consumer (11)	374.45	+0.9	2.25	3.71	—	371.14	370.72	364.26	367.67	275.76
41	OTHER GROUPS (78)	318.46	+0.4	10.69	5.15	11.24	317.26	314.60	312.62	311.30	260.11
42	Chemicals (15)	419.32	+0.6	11.75	5.77	10.11	416.65	413.94	412.32	409.40	303.38
44	Office Equipment (6)	102.33	—1.3	10.42	5.30	11.86	103.68	100.34	99.24	98.58	129.30
45	Shipping and Transport (13)	560.58	—0.5	15.45	7.59	7.71	563.57	560.30	546.86	540.54	583.47
46	Miscellaneous (44)	450.95	+0.5	8.80	4.03	13.85	448.58	445.85	443.20	443.24	317.65
49	INDUSTRIAL GROUP (486)	417.60	+0.3	9.66	4.20	12.65	416.48	413.26	410.78	411.34	318.60
51	Oils (14)	727.71	+0.7	17.38	7.96	6.78	722.81	712.19	704.03	704.05	600.50
59	500 SHARE INDEX	443.22	+0.3	10.74	4.73	11.29	441.79	437.93	435.05	435.49	348.76
61	FINANCIAL GROUP (121)	300.97	—0.6	—	5.87	—	302.80	299.93	296.93	297.06	259.56
62	Banks (6)	308.04	—1.6	32.73	7.83	3.34	312.97	309.81	309.56	309.73	287.27
63	Discount Houses (8)	287.11	+0.1	—	8.50	—	286.80	288.50	289.25	283.39	236.38
65	Insurance (Life) (9)	376.08	—0.7	—	5.09	—	378.75	378.61	368.20	369.83	255.14
66	Insurance (Composite) (10)	201.77	—0.2	—	7.05	—	202.16	201.62	199.32	202.20	168.73
67	Insurance Brokers (7)	571.93	—0.4	11.22	4.77	12.40	574.46	570.17	564.40	564.88	437.69
68	Merchant Banks (13)	167.02	—0.6	—	5.17	—	168.04	170.12	169.72	166.91	151.33
69	Property (54)	459.48	—0.8	5.62	3.90	23.52	463.30	461.01	446.72	445.79	409.37
70	Other Financial (14)	231.66	+1.5	12.86	5.08	9.84	228.19	225.58	223.74	217.25	189.35
71	Investment Trusts (109)	406.51	+0.3	—	4.13	—	405.13	402.40	400.11	399.85	319.66
81	Mining Finance (4)	270.83	+0.1	7.58	5.25	17.66	270.45	276.39	268.59	275.93	233.18
91	Overseas Traders (16)	442.19	—1.7	11.29	8.18	11.70	449.73	442.10	441.01	439.77	438.99
99	ALL-SHARE INDEX (750)	408.78	+0.1	—	4.93	—	408.19	404.85	401.80	402.34	328.73

FIXED INTEREST

	PRICE INDICES	Thurs Feb 10	Day's change %	Wed Feb 9	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.97	+0.11	116.84	—	1.39
2	5-15 years	125.67	+0.26	125.35	—	1.78
3	Over 15 years	132.16	+0.26	132.05	0.24	0.38
4	Irredeemables	136.81	—	136.81	—	0.80
5	All Stocks	124.79	+0.21	124.60	0.06	1.26
6	Debentures and Loans	100.09	+0.20	99.88	—	0.64
7	Preference	76.43	+0.06	76.39	—	0.32

	AVERAGE GROSS REDEMPTION YIELDS		Thurs Feb 10	Wed Feb 9	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	9.88	9.88	12.57
2		15 years	10.64	10.68	13.47
3		25 years	10.91	10.93	13.21
4	Medium Coupons	5 years	11.40	11.52	15.09
5		15 years	11.69	11.73	14.93
6		25 years	11.27	11.31	14.39
7	High Coupons	5 years	11.62	11.69	15.38
8		15 years	11.89	11.98	15.18
9		25 years	11.46	11.49	14.74
10	Irredeemables†		10.87	10.87	12.92
11	Debs & Loans	5 years	12.61	12.65	16.11
12		15 years	12.69	12.72	15.96
13		25 years	12.76	12.79	15.87
14	Preference†		13.05	13.06	15.60

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FINANCIAL TIMES STOCK INDICES

	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 4	Feb. 3	year ago
Government Secs.	78.36	78.27	78.09	77.55	77.46	77.91	65.84
Fixed Interest	80.29	80.21	79.96	79.72	79.72	79.70	65.34
Industrial Ord.	654.8	656.0	649.4	643.0	644.0	646.8	572.0
Gold Mines	686.1	695.0	712.0	675.0	668.5	676.9	285.2
Ord. Div. Yield	4.66	4.71	4.74	4.77	4.76	4.75	6.87
Earnings, Yld.% (full)	10.04	10.10	10.15	10.21	10.20	10.14	9.47
P/E Ratio (net) (*)	11.98	11.90	11.85	11.76	11.78	11.84	13.88
Total bargains.	25,007	23,082	26,276	23,985	27,440	21,853	19,626
Equity turnover £m.	—	*239.82*	*207.46*	*203.26*	*259.55*	*281.35*	*183.19*
Equity bargains	—	21,383	21,146	23,092	25,214	24,899	17,678
Shares traded (ml)	—	156.7	132.7	142.9	185.8	203.9	141.8

10 am 660.0. 11 am 656.6. Noon 655.4. 1 pm 653.0.
2 pm 652.8. 3 pm 653.6.

Basis 100 Govt. Secs. 16/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/56. SE Activity 1974.

Latest Index 01-246 8026.
*Nil=11.17.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (5/11)	61.69 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	656.0 (9/2/83)	518.1 (5/1/82)	656.0 (9/2/83)	49.4 (26/6/40)
Gold Mines	712.0 (8/2/83)	181.2 (22/6)	712.0 (8/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 9	Feb. 8
—Daily		
Gilt Edged Bargains	161.9	172.1
Equities Bargains	138.5	137.0
Value	484.7	419.5
5-day Avrge		
Gilt-Edged Bargains	169.2	167.1
Equities Bargains	150.0	153.2
Value	481.6	505.1

NEW YORK AND CANADA

Indices

NEW YORK—DOW JONES

	Feb 10	Feb 9	Feb 8	Feb 7	Feb 4	Feb 3	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1087.75	1067.42	1075.33	1087.1	1077.91	1064.86	1092.35 (10/1/83)	776.92 (12/8/82)	1092.35 (10/1/83)	41.22 (2/7/32)
Transport	479.75	473.95	477.68	483.84	485.07	474.67	485.07 (4/2/83)	292.12 (12/8/82)	485.07 (4/2/83)	12.23 (8/7/32)
Utilities	123.88	123.94	125.46	125.74	125.85	124.45	125.78 (20/1/83)	103.22 (20/1/82)	163.32 (20/4/69)	10.86 (28/4/42)
Trading vol 10000's†	9280	8452	7858	8603	8700	7889	-	-	-	-

	Feb 4	Jan 28	Jan 14	(Year Ago Approx)
Ind div yield %	4.99	5.08	5.01	6.50

STANDARD AND POORS

	Feb 10	Feb 9	Feb 8	Feb 7	Feb 4	Feb 3	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	166.36	163.37	164.06	165.43	164.51	162.29	165.43 (7/2/83)	114.08 (12/8/82)	165.43 (7/2/83)	3.52 (30/6/32)
Composite	147.5	145.0	145.7	146.93	146.14	144.26	146.93 (7/2/83)	102.42 (12/8/82)	146.93 (7/2/83)	4.4 (1/6/32)

	Feb 9	Feb 2	Jan 26	Year Ago (Approx)
Ind div yield %	4.38	4.45	4.51	5.74
Ind. P/E Ratio	11.35	11.18	11.06	7.73
Long Gov Bond Yield	11.09	10.93	10.87	14.32

N.Y.S.E. ALL COMMON

Feb 10	Feb 9	Feb 8	Feb 7	1982-83 High	1982-83 Low
85.13	83.79	84.16	84.77	84.79 (17/1/83)	58.8 (12/8/82)

RISES AND FALLS

	Feb 10	Feb 9	Feb 8
Issues traded	902	1903	1903
Rises	135	715	681
Falls	431	822	876
Unchanged	336	366	346

MONTREAL

	Feb 10	Feb 9	Feb 8	Feb 7	1982-83 High	1982-83 Low
Industrials	390.22	356.6	356.25	352.93	390.83 (18/1/83)	240.90 (21/6/82)
Combined	347.80	343.83	343.82	338.64	349.05 (18/1/83)	232.22 (21/6/82)
TORONTO Composite	2118.2	2082.3	2075.6	2065.8	2118.8 (18/1/83)	1355.7 (21/6/82)

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24¼	13⅝	Ransbg	.72	2.9	33	369	u24⅜	23⅞	24⅜	+ ½
11½	4	Ratlif			56	25	5	5	5	
7½	5	Raven	.30b	4.4	9	20	6⅞	6¾	6⅞	+ ⅛
22¼	11¼	Raymln	.28	1.3	12	15	21	20⅝	20⅝	— ⅛
7¼	3¼	RltncT			26	9	7⅛	7⅛	7⅛	
1⅞	9-16	Redlaw				5	1¼	1¼	1¼	— ⅛
6⅞	2½	Refmnt				22	6	6	6	— ¼
13½	8	RegalB	.72	5.5	14	23	13	12⅞	13	+ ½
10⅜	5⅞	RepGyp	.40	3.6	17	123	u11¼	10½	11	+ ¼
28¼	15⅛	ResrtA			9	1090	u29¼	27¾	28	+ 1⅛
3	1⅝	Resrt	wi			84	2⅛	2	2¼	+ ¼
29	18¼	ResrtB			9	z400	29	28⅞	28⅞	— ⅛
7½	3¼	RestAsc			12	293	u7⅞	7	7½	+ ⅜
4⅝	2¼	RexNor			20	21	3⅝	3¼	3¼	+ ⅛
13¾	4½	RbletP	.12	1.0	19	77	12	11⅛	12	+ ⅜
11⅛	2	RchTC	v			7	3¼	3¼	3¼	+ ⅛
6⅛	1⅝	RioGDr			4	9	2½	2½	2½	
4⅛	2	Robntc				35	3⅝	3⅝	3¼	— ⅛
26⅝	10½	Rotowy	1	3.9	29	145	26	25½	25¾	
19½	12	Rogers	.12	.7	30	27	17⅝	17½	17½	
3⅞	1⅛	RoncoT				33	3¼	3	3¼	+ ⅛
3½	1⅝	RoyPlm				42	3⅛	3⅛	3⅛	
18½	12	Rudick	.56e	3.0	8	6	18½	18½	18½	
3	1⅞	RBW				12	2¼	2¼	2¼	
24⅝	12	Rusell	.44	2.0	12	302	22	21½	21⅞	+ ½
12¼	7¼	Rykoff	.50	4.1	11	34	12¼	12	12⅛	
54½	10⅝	Rylnd	.84	2.0	30	624	42	41⅛	42	+1
		S—S—S								
10⅛	3¼	SFM			17	17	6½	6½	6½	+ ⅛
14½	10⅜	SGL	.36b	2.9	8	2	12½	12½	12½	+ ⅛
8½	⅞	SMD	a		12	20	7¼	7½	7¼	— ⅛
5½	3	SSP				4	5¼	5¼	5¼	
13½	5½	Sage			6	88	8⅞	8½	8⅞	+ ⅜
11½	9	Salem	.40	3.6	8	116	11⅛	10⅞	11⅛	+ ⅛
3⅞	1⅞	SCarlo	.15e	5.0	8	3	3	3	3	— ⅛
7¼	5½	SDgo	pf .86	12.		2	7⅛	7⅛	7⅛	— ⅛
8½	6¼	SDgo	pf 1	12.		5	8⅛	8⅛	8⅛	
62	47	SDgo	pf7.80	13.		z1400	62	59⅛	62	+2⅞
20¼	15⅛	SDgo	pf2.47	13.		1	19½	19½	19½	— ⅛
35⅞	27¼	SDgo	pf4.65	13.		20	35¼	35½	35½	
22	16⅛	SDgo	pf2.68	13.		2	21⅛	21⅛	21⅛	+ ½
39	26½	SFrRE	2.20	7.8	12	2	28¼	28¼	28¼	+ ⅛
28⅞	19	SanJW	2.40	8.2	7	5	u29⅛	28⅝	29⅛	+ ½
21	5⅜	Sandgt	s .60	3.7	9	12	16⅝	16⅝	16⅝	— ⅝
3	1⅞	Sanmrk			11	21	2⅞	2⅞	2⅞	+ ⅛
6	3⅜	Sargent			20	52	4⅝	4½	4⅝	+ ⅛
4⅝	2⅞	Saund	s .15	3.6	9	1	4⅛	4⅛	4⅛	
23⅞	6⅝	Scheib	.50	2.5	12	7	19⅞	19⅝	19⅝	— ¼
6	2⅞	SchoolP				4	3⅞	3⅞	3⅞	
13¼	3⅞	Schrad	.20	1.5	10	39	13½	13¼	13¼	+ ⅛
12⅞	6¼	Schwab	.40	3.9	8	1	10⅛	10⅛	10⅛	+ ⅛
20⅞	3⅛	SciMgt	.10	.5	1815	u21¼	19½	20⅞	+1⅛	
23¼	8⅛	SciLsg	n		17	67	22⅞	22	22⅞	+ ⅞
32½	19½	Scope	.25	.8	7	6	30⅞	30⅛	30⅞	
53	27	ScurR	g			z200	43¼	43⅛	43⅛	—1
30¼	23½	SbdCp	.50	1.6	3	10	30½	30½	30½	
1¼	⅝	Seaport				14	1⅜	1½	1½	— ⅛
10⅛	3⅛	SecCap			10	50	9½	9¼	9½	+ ¼
11	3⅞	SesPro			6	15	7½	7¼	7½	+ ¼
14½	3¼	SelsDt				92	8½	8¼	8½	+ ⅛
6⅞	2⅞	Semtch	.10t	1.7		7	5⅞	5⅞	5⅞	
9¼	6	Snesco	.44	4.6	9	2	9½	9½	9½	— ⅛
14⅝	3⅞	Servo			21	12	13½	13⅜	13⅜	+ ⅛
7⅞	2½	Servotr			10	11	6⅞	6¾	6¾	+ ⅛
31⅞	9½	SetonCo	.50	1.8	11	1	28½	28½	28½	— ¼
6⅞	4⅝	ShaerS	.15e	2.2	21	7	6⅞	6¾	6⅞	
4⅛	1⅞	Sharon				47	3	2⅞	3	
25¾	6⅞	Shopwl	.12r	.5	13	40	22¼	22⅛	22¼	— ⅛
17⅞	11	Showbt	.80	4.6	9	28	17½	17⅛	17½	+ ⅜
10⅝	6½	Sieren				27	10⅝	10¼	10⅝	
8¼	5⅞	Silco	.20	2.5	8	15	8	7⅞	7⅞	+ ¼
19¼	7⅞	SikesA	.30	1.5	50	2	19½	19½	19½	
8	2⅞	Silvrcst				56	8	7⅞	8	+ ½
9½	3¼	SolSiSc				68	7⅞	7⅞	7⅞	+ ⅛
8⅞	4⅛	Soltron				164	7⅞	7⅞	7½	
17⅞	12¼	SorgPa	.56	4.1	10	2	13½	13½	13½	+ ⅛
7⅛	2¼	SouTex			45	16	2⅜	2¼	2¼	— ⅛
13⅝	8⅞	SoetCap	.85e	8.6	6	5	10	9⅞	9⅞	— ⅛
9½	6½	SCEd	pf1.06	11.		78	u9⅝	9¼	9¼	+ ½
10	7	SCEd	pf1.08	11.		6	9⅝	9½	9⅝	+ ⅛
11⅞	7¼	SCEd	pf1.19	12.		10	10⅛	10¼	10¼	
34¼	25	SCEd	pf3.52	10.		z200	34½	34½	34½	
13⅛	9⅞	SCEd	pf1.45	12.		6	12⅛	12½	12½	
20⅞	14½	SCEd	pf2.30	11.		15	20⅛	19⅝	20⅛	+ ½
20⅛	14⅛	SCEd	pf2.21	11.		2	20	19⅝	20	+ ⅝
68¼	49	SCEd	pf7.58	12.		1	64	64	64	
77	56¼	SCEd	pf8.70	12.		2	74	74	74	+ ⅞
81½	57	SCEd	pf8.96	12.		1	75	75	75	
3	1½	Somk	wtC			68	2⅛	2½	2½	
9⅛	3½	Sprkmn			42	13	9	8⅞	8⅞	— ½
9½	5⅞	Sprk	pf 1	12.		14	8⅞	8⅝	8⅝	— ⅛
19⅝	3⅞	Spectro	s.14	.8	10	6	17¼	17	17	— ⅛
4⅝	2¼	SpedOP	.10r	2.4	15	3	4⅛	4	4⅛	+ ⅛
14	6½	Spencer	.08	1.0		41	7⅞	7⅞	7⅞	— ⅛
18⅞	4⅞	StdMetl				41	16⅜	16⅛	16⅝	+ ⅜
53	13½	StProd	.80b	1.6	10	28	51½	51⅛	51⅜	+ ⅜
44¼	34¼	StdShr	3.50x	7.9	7	1	u44½	44½	44½	+ ⅜
8⅝	4⅜	Stanwd			47	58	8	7⅞	8	+ ⅛
6¼	2⅛	StarrtH				92	6⅞	6⅞	6½	+ ⅜
12⅞	7½	Statex			22	6	9⅞	9⅞	9⅞	+ ⅛
5⅞	2⅞	Steelnt				51	4⅞	4⅞	4⅞	+ ⅛
15⅞	9⅞	StepnCh	.56	3.9	9	19	14½	14⅛	14½	+ ⅜
6⅞	3⅛	SterCap				6	u6⅞	6⅛	6⅞	+ ⅜
2⅞	⅛	SterlEl				20	2⅛	2½	2⅞	+ ⅛
6⅞	1⅞	StrlExt			14	4	6⅞	6⅞	6⅞	
17¼	13½	StorEq	n1.52e	9.4	12	24	16⅞	16⅛	15⅞	+ ⅛
6½	2⅛	StrutW				77	4	3¼	3⅞	— ⅛
9⅝	5½	SumtE			32	7	7⅛	7⅛	7⅛	
15½	12⅛	SumtE	pf1.80	13.		1	14	14	14	+ ⅛
6½	3	SunCity			7	1	5½	5½	5½	+ ⅛
18⅛	7½	Sunair	.40	2.6	15	42	15⅝	15⅛	15⅛	— ⅛
13	4⅝	Sundnc				170	6⅝	6	6½	+ ½
9⅛	6½	SunJr	.48	5.7	8	10	8⅞	8⅛	8⅛	
21½	11⅛	SupFdS	.48b	2.5	10	55	19⅝	18⅞	19⅛	+ ⅛
5½	1⅛	SupCre			128	320	5⅛	4⅞	5⅛	+ ⅛
10½	2½	Supind				195	u10⅞	10⅛	10⅞	+ ¼
10	5½	SupSr	s .24	2.8	8	31	8⅝	8⅛	8⅝	+ ⅛
5⅛	1⅛	Susqueh				14	5⅛	5⅛	5⅛	
10⅛	5¼	Sucqh	pf			12	10	10	10	
29⅞	12⅞	Swftin	1.04e	3.9	5	365	26⅞	25½	26⅞	+ ⅞
7⅝	3¼	Synloy	s			12	6⅞	6	6⅞	+ ¼
12⅞	7½	SystEn	.10	.9	13	14	10⅞	10⅛	10⅞	+ ⅜
5½	2⅞	SysPln				50	4⅞	4⅜	4⅜	+ ⅛
		T—T—T								
13⅛	6⅝	TBar	s		33	238	u13¼	12⅞	13⅛	+ ⅜
11⅛	6	TEC	.08	1.0		3	8⅛	8⅛	8⅛	— ⅛
45⅞	13⅛	TIE			41	562	44⅞	42⅛	44	+1⅛
15¼	6⅛	TII				23	14⅛	13¼	14⅛	+ ⅜
34⅛	11⅞	TabPrd	.20	.6	21	52	33	32⅝	32⅞	+ ½
19⅞	7¼	TndB	s .30	1.8		15	15½	16¼	16¼	+ ⅛
8⅛	6½	Tasty	.06e	.7	61	5	7⅞	7¾	7⅞	
10½	3⅝	TchAm			160	68	9⅞	9½	9⅞	
17⅛	6⅛	TchSym			23	176	17⅛	16⅜	16⅞	
26½	13½	TechOp			16	64	26⅛	25⅞	25⅞	+ ⅜
4¼	3	TechTp			8	179	4¼	4⅛	4⅛	+ ⅛
26⅛	16⅛	Tchom	n			135	u27½	26	26⅞	+1⅛
13⅛	5¼	Tectrol	.40	3.6	8	29	11½	11⅛	11⅛	— ⅛
35½	15¼	Telflex	.36	1.1	14	48	33½	32¼	33½	+ ½
16⅛	5¼	TelDta	.31e	2.2	14	40	14¼	14	14⅛	+ ⅛
28⅛	13¼	Telsci			45	109	23⅞	23	23	— ¼
6⅛	3⅞	Tenny	s		20	259	u6⅞	6⅛	6⅛	+ ⅛
11½	6⅞	Tensor				18	9	8⅞	8⅞	+ ½
28⅞	17⅞	TexCd	g	1		11	23½	23⅛	23½	+ 1
13⅛	4	TexAir	.16	1.6		699	10⅛	10⅛	10⅛	— ⅛
7⅞	3⅞	TexAE				18	4⅛	4⅛	4⅛	+ ⅛
11½	2⅞	TxGRs				85	3	2⅞	3	
5⅞	⅛	TxGR	wt			2	½	7-16	½	
2⅞	⅛	TxGR	wtn			1	⅝	⅝	⅝	+ ⅛
25	9⅞	Toxscan	s		29	72	23⅞	22⅞	22⅞	— ⅛
15½	7⅞	Textr	wt			1	15⅛	15⅛	15⅛	+ ⅛
11⅛	3⅞	Thorofr				166	u11⅞	10⅞	11½	+ 1⅛
13	6½	ThreeD	.24	2.4	7	8	10⅛	10⅛	10⅛	— ⅛
40¼	22½	Thrifm	1.60	4.0	8	1	39⅞	39¾	39¾	+ ⅛
11	5	Tidwell			64	79	10⅛	9⅞	10⅛	+ ½
63	45¼	ToIEd	pf7.76	13.		z250	59	59	59	+ ½
15⅞	8⅛	Topaz	s .04	.3	19	7	14⅝	14½	14⅝	+ ⅛
26⅛	4⅛	ToppsG	.20e	.8	8	6	24⅝	24⅛	24⅛	— ⅛
13⅛	4⅛	Torotel				231	13	12	13	+1
11⅞	7	TotPt	g.24		33	159	u12⅛	11⅛	12⅛	+ ½
25	15¼	TotPt	pf2.88	12.		1	24⅝	24⅝	24⅝	
10⅝	6	Towner	e		15	149	6	5⅞	5⅞	
4⅝	1¼	Town	wt			10	2½	2½	2½	+ ⅛
1⅛	7-16	Trafgr				99	1½	1⅛	1½	
15⅛	7	TmsLx	.10	.7	11	22	13⅝	13⅛	13⅝	+ ¼
11¼	4	TranEn				30	4⅛	4½	4⅛	
4¼	1	TrnE	wt			7	1⅛	1⅛	1⅛	+ ⅛
17	8⅝	TmsTec	.40	2.5	11	72	16⅛	15⅞	16⅛	+ ⅞
9½	5	TriSM				9	8	7⅞	7⅞	— ⅛
11	4⅝	TriaCp	.77t	11.		5	7⅛	7⅛	7⅛	— ⅛
2⅛	⅞	TubMx			3	166	1⅛	1⅛	1⅛	
27½	8⅞	Tultex	.60	2.3	9	15	26⅞	26⅛	26⅛	— ⅛
33⅞	20¼	TurnrC	2.64	.6		2	31⅞	31⅛	31⅞	
6⅛	1⅛	TwinF	v			147	2⅞	2	2⅞	+ ⅛
		U—U—U								
14½	7	UAI				48	14	13⅞	14	
1½	⅞	UDS				37	1⅛	⅞	1	
4⅜	2⅛	UNA				1	3	3	3	
URS n			501	10		9⅛	9⅛			
3⅛	1⅛	USR	ind			45	u3⅞	2⅞	3⅛	+ ⅛
18⅛	6⅛	Ulcmte			25	218	17½	17⅛	17⅞	+ ⅜
15	8½	Unicorp	.40	2.7	16	1	14¾	14¼	14¾	
11⅛	6	Unimax				18	8½	8½	8½	— ⅛
22	9¼	UArPd	s .52	2.8	12	7	18⅞	18⅛	18⅞	— ⅛
6	3¼	UnAbst			3	61	49-16	47-16	49-16	+1-16
4⅞	2⅞	UnFood	.20	4.7	10	43	4⅛	4⅛	4⅛	+ ⅛
12⅛	5⅞	UnMed	1.04t	9.1	19	38	11⅛	11⅛	11⅛	— ⅛
16⅞	10⅛	UnRltn	1.33e	8.4	12	138	16⅛	15⅞	15⅞	— ⅛
20	5⅞	USAG	wt			32	18⅛	17½	17⅞	+ ⅛
7½	4½	UnityB				10	6⅞	6⅞	6⅞	
15⅞	9⅞	UnvCig	.32e	2.1	10	1	15⅛	15⅛	15⅛	
16⅞	13⅛	UnvC	s		35	26	16⅛	16⅛	16⅛	+ ⅛
13⅝	5	UnvRs			8	194	6⅞	5⅞	5⅞	
17⅛	6⅛	UnvRu			30	45	u17½	17⅛	17½	+ ½
		V—V—V								
17⅞	13	VallyR	1.52	10.	9	4	15	14⅞	14⅞	+ ⅛
20	9⅞	Valmac	.1e	.5	6	2	18	18	18	
26½	10⅛	Valspar	.68	2.6	10	1	26½	26½	26½	
34⅛	8	Vrbtm	s		33	1520	u36¼	35⅛	35½	+1⅛
3⅛	1⅛	Verit			44	13	2⅞	2⅞	2⅞	
14⅞	7⅛	VtRsh	.15e	1.3	35	34	12⅛	11⅞	12	+ ⅜
9⅛	1⅛	Verna	1.23t	52		1	2⅛	2⅛	2⅛	
16⅛	7⅛	Vernit	.10	.6	14	121	16	15⅛	16	+ ⅜
11½	2⅞	Viatech			10	43	10⅛	10	10	— ⅛
12⅛	4⅝	Vicon			25	62	11⅛	11⅛	11½	+ ½
8⅛	2½	Vintge			33	11	5⅞	5½	5⅞	+ ⅜
12⅞	5	Virco	.04	.3	8	21	12⅛	11⅞	11⅞	
2⅞	⅛	VisaE	n			525	7-16	⅜	7-15	
16⅞	8⅞	Vishay	.38t	2.5	12	42	15⅛	14⅞	15⅛	
11¼	4⅛	VisualG	.28	2.6	11	20	8⅞	8⅞	8⅞	
10¼	4⅞	VolMer	.18e	2.5	12	15	7¼	7⅛	7¼	+ ⅛
20⅞	7⅞	Voplex	.56	3.0	28	59	18⅞	18⅛	18⅛	— ⅛
13⅛	8⅛	VulcCp	.38	2.8	6	2	12⅞	12⅞	12⅞	
		W—W—W								
7⅞	4⅞	WTC				61	5⅛	5	5	— ⅛
4⅞	2⅞	Wadell			30	7	3⅞	3⅞	3⅞	
32¼	17	Walbar	.40	1.5	10	6	26¼	26½	26¼	
19¼	7½	Walco	s .40	3.5		45	11⅛	11⅛	11⅛	+ ½
6	2⅛	WallcS			94	12	5⅛	5⅞	5⅞	— ⅛
35	12⅛	WangB	s .10	.3	34	5687	34⅛	33	33½	+ ⅜
35⅛	10½	WangC	s .05	.2	33	13	34	33	33⅛	+ ⅜
26⅞	8½	Wards	.12	.5	16	31	25½	25⅛	25½	+ ⅜
22⅞	8⅛	WmC	wt			533	13	12½	12⅞	— ⅛
9	1	WshHm				14	6⅞	6⅞	6⅞	— ⅛
80⅞	27⅛	WshPst	.68	1.1	16	76	59½	59	59	— ⅞
16⅞	11½	WRIT	1.08	7.1	15	7	15½	14⅞	15⅛	+ ⅛
12⅞	6¼	Wtsco	s .30	2.8	14	36	10⅞	10⅛	10⅞	+ ⅜
22½	8	Wthfrd	.40	3.4	9	297	12⅛	11⅞	11⅞	— ⅛
25⅛	7⅞	WebcrE	n		18	48	22⅞	22⅛	22⅛	+ ½
14¼	8	WeldT	s .10	1.0		65	10⅛	9½	10⅛	+1
13⅛	3⅝	Widtm	s		16	40	11⅞	11	11⅛	+ ½
20⅞	7	WelGrd	.50	5.3	5	145	9⅞	8⅞	9½	+ ⅜
14⅞	7⅞	Wesco	.54	4.0	8	1	13⅜	13⅜	13⅜	+ ⅛
24½	7⅞	Wspcp	n		18	276	20⅛	19	19⅞	— ⅛
39	28¼	WTex	pf4.40	12.		210	38⅞	38⅛	38⅛	+ ⅛
15⅛	7	Watbr	g .40			13	13⅜	13	13	— ⅛
20	5½	WstnSL				49	18⅛	17⅞	18⅛	+ ⅜
3⅞	1⅛	WhtrCbl				8	3	2⅞	2⅞	— ⅛
8⅛	4	Wchta				38	6½	6¼	6⅛	— ⅛
4⅞	1⅞	WilcxG				858	u5½	4⅞	5⅛	+ ½
3	7-16	WlsnB				42	2⅞	2⅞	2⅞	+ ⅛
22	14⅝	Wincp	pd1.46		26	10	21⅜	21⅛	21¼	+ ⅝
11¼	8⅛	Winkim	.50	5.2	74	2	9⅝	9⅞	9⅞	— ⅛
12⅞	7⅛	WkWear			21	11	8	7⅞	8	+ ⅛
9¼	4	WwdeE			36	195	7½	7¼	7¼	
27	19¼	Wrathr	.05	.2		42	23¼	23⅛	23¼	+ 1⅛
9½	1⅞	WrgtH	g		29	233	8⅛	8⅛	8⅞	+ ½
		X—Y—Z								
11	5⅛	YankO			9	71	10⅛	9⅞	10	
13	3⅛	Zimer	s .10	.9	28	12	11⅛	11½	11⅛	+ ⅛

NEW YORK CLOSING PRICES

Continued from Page 31

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16½	7⅛	WCNA	.24	2.5	8	3360	9⅞	8⅞	9⅞	+ ⅞
51¼	46	WCNA	pf7.25	14.		405	51	50½	51	
64	50½	WPacl			6	46	57½	57	57½	+ ⅝
54¼	25⅛	WUnion	1.40	3.4	10	1512	41⅛	40⅛	41⅛	+ ⅛
10	7⅞	WUn	dpf1.18	12.		44	9⅛	9⅛	9⅛	
50	41⅛	WUTl	pf 6	12.		1	48⅛	48⅛	48⅛	— ⅛
48⅛	21⅞	WestgE	1.80	3.8	9	3020	47⅛	46	47⅛	+ ⅞
29½	16½	Westnc	1.20	4.2	12	340	29⅛	28⅛	28⅞	+ ⅛
40⅛	22½	Weyerh	1.30	3.5	42	418	37⅞	37⅛	37½	+ ⅛
52	30⅛	Weyr	pf2.80	5.9		19	48	47⅝	47⅞	— ⅛
54⅞	37½	Weyr	pr4.50	8.7		13	51⅞	51½	51½	— ⅛
61½	48⅛	WhelLE	5.75	9.7		z140	59	58⅛	59	
29½	12⅛	WhelPit				56	18⅛	18⅛	18⅛	+ ⅛
40½	33½	WhPit	pf 6	15.		z100	40	40	40	
47½	23	Whirlpl	1.60	4.0	12	516	45⅛	44⅛	44⅞	— ⅛
39	22½	WhitC	1.50	4.0	20	37	38	37½	37⅞	+ ½
43½	35⅛	WhitC	pfA3	7.0		1	43	43	43	— ½
39	31⅛	WhitC	pfC3	7.9		7	37⅞	37⅛	37⅛	+ ⅛
35⅝	12⅛	Whtehl			17	45	35	34½	34½	— ⅛
31⅞	18	Whittak	1.60	6.4	7	985	25	24½	25	+ ⅛
7½	3	Wiebldt			63	45	7	6⅞	7	+ ⅛
27⅞	12⅞	Willam	1.20	5.8	18	1129	20⅞	20⅛	20⅞	+ ⅛
18⅛	9⅛	WilmEl	.40	3.0	6	355	13⅞	13⅛	13⅛	— ⅛
11⅛	6½	WilshrO	.07r	.6	11	213	11⅞	11	11⅛	+ ⅜
50⅛	29⅛	WinDx	2.40	5.5	10	78	43⅞	43½	43⅞	+ ⅛
16½	4	Winnbg	.10e	.7	43	805	15⅛	14⅝	15⅛	+ ⅞
6⅞	3⅛	WinterJ			77	154	8½	8⅛	8⅛	— ⅛
25⅛	18⅛	WisEP	1.94	8.4	6	1777	23⅞	23⅛	23	+ ½
81	61	WisE	pf8.90	11.		z200	80	80	80	
29½	19⅛	WisePL	2.32	9.3	6	65	25⅛	24⅞	25	
25⅛	18½	WiscPS	2.12	8.8	8	8	24⅛	24	24	— ⅛
30⅛	20⅞	Witco	1.80	6.0	10	50	30⅛	29½	30	+ ½
24⅞	11½	WolwrW	.48	2.0	14	182	23⅞	23⅛	23⅛	+ ⅛
34⅛	14½	Womet	s .44	1.3	22	475	33⅞	32⅞	32⅞	+ ½
25⅛	16⅛	WoodPt	.48	2.1	11	489	23	21⅞	23	+1½
29⅞	15⅞	Wolwth	1.80	6.5		2280	27½	26	27½	+1½
40	22½	Wolw	pf2.20	5.7		9	38½	38	38½	+2½
5⅛	1½	WrldAr				88	4⅝	4⅛	4⅝	+ ⅛
45	29⅛	Wrigly	1.44a	3.2	10	49	45	43⅞	45	+ ⅛
5⅞	2⅞	Wurltzr				5	5	5	5	— ⅛
12⅛	4½	WyleLb				368	u12½	11⅞	12⅛	+ ½
13⅛	7⅛	Wyly			27	201	9⅞	9⅛	9½	— ⅛
18½	11⅛	Wynns	.60	3.9		55	15⅛	15	15⅛	+ ⅛
		X—Y—Z								
42½	27⅛	Xerox	3	7.9	8	2459	38	37⅞	37⅞	+ ⅞
51⅛	49⅛	Xerox	pf5.45	11.		1137	50⅛	49⅞	50⅛	+ ⅜
22⅛	10⅛	XTRA	.32		22	x41	20¼	19⅞	20⅛	+ ⅜
25	17⅞	ZaleCp	1.26	5.8	30	4	21⅞	21⅞	21⅞	
25	11⅛	Zapata	.84	4.8	4	520	17⅞	17⅛	17⅞	+ ⅜
71	25¼	Zayre	.40b	.6	17	30	66½	66	66½	+1
18⅛	9⅛	ZenthR				809	15⅛	15	15⅛	+ ⅜
32½	16⅞	Zero	.58	1.9	15	25	29⅞	29½	29⅞	+ ½
32½	18	Zurnin	1.32	4.2	8	209	31½	30½	31⅛	+1

COMMODITIES AND AGRICULTURE

U.S. behaviour 'unbecoming' says Mahathir

BY ALAIN CASS, ASIA EDITOR AND WONG SULONG IN KUALA LUMPUR

DR MAHATHIR MOHAMED, Malaysia's Prime Minister, yesterday launched a scathing attack on the U.S. and the London Metal Exchange as the culprits in the continuing slump the world tin mining industry.

He attacked the U.S. for selling surplus tin from it's 150,000-tonne stockpile when market prices are still at rock bottom.

"The recent release of stockpiled tin by the U.S. at a time when prices are depressed is an act which is not becoming in a nation that is many, many times richer than Malaysia," he said.

"It represents a *substantial* sum to them but if they regard it as substantial we regard it as colossal. They are hurting us more than it could ever help them."

Dr Mahathir denied that Malaysia's efforts to create a tin producer's association was an attempt to start a cartel.

He retorted: "I regard the London Metal Exchange as a cartel. It has no tin to speak of. All it does is to control the price of the market irrespective of the cost of production. It is an exclusive club in which we have no chance of belonging, much less of influencing the price.

"It makes money whether the price goes up or down, while our people and our country are suffering. I can't stand this situation."

Since the disastrous foray on the LME of the mysterious buyer—widely believed to be supported by Malaysia—to bid up the price of the metal in late 1981-early 1982, Dr Mahathir's Government has been trying to galvanise other tin producers to band together.

However, this initiative by Malaysia, the world's largest tin producer, has met resistance from its neighbour and second largest producer, Indonesia, which fears Malaysian domination in the proposed grouping.

The two countries' differences are fundamental. A meeting of technical experts from 17 producing countries is scheduled in London on Monday to seek a compromise.

However, such a meeting is unlikely to achieve a result unless Malaysia and Indonesia can reconcile their differences. This seems a remote possibility as the mining ministers of Indonesia and Thailand, the world's third biggest producer, have so far resisted invitations to meet informally before the experts' meeting.

Dr Mahathir saw no parallel between what he foresaw as the collapse of Opec and his proposed tin producers' association. Opec's collapse would be because the oil cartel "used it as a big stick."

"We are not intending to use the association as a big stick," said Dr Mahathir. "All we are asking for is a fair price. We know tin is vulnerable. We accept the fact that countries have to trade with each other and that we are interdependent. Neither are we out to cause a depression because that would hurt us."

THE STRAITS tin price moved above the "floor" level of the International Tin Agreement for the first time since early November in Penang on Wednesday night (London time). It rose from the "floor" of $M 29.15 by 8 cents to $M 29.23 a kilo, but remains in the lower price band ($M 29.15 to $M 32.06) of the International Tin Agreement where the buffer stock has to be a net seller, writes John Edwards.

There was little reaction yesterday on the London Metal Exchange to the rise in the Straits tin price. Values ended the day virtually unchanged.

Traders pointed out that sustained support buying by the buffer stock of the International Tin Council in recent weeks had pushed London values up in line with Penang.

It therefore makes better sense for some consumers to revert to buying Straits tin in Penang, where supplies are being restricted by the stringent export quotas imposed by the Tin Council.

The offering in Penang on Wednesday night, based on ore concentrates received by the smelter, fell to only 125 tonnes.

It was generally expected that once the buffer stock had established control over the London market this would enable the Straits tin price to rise.

As a result of heavy support buying the buffer stock now holds virtually all the world's surplus tin, with the exception of the U.S. stockpile, and should therefore be in a position to control values.

Cocoa prices continue to fall

By Our Commodities Staff

COCOA PRICES fell again on the London futures market yesterday as dealers continued to react to an over-bought situation and easier nearby supplies. The May quotation fell £10 to £1,318.50 a tonne taking the fall on the week so far to £48 a tonne. But yesterday's biggest fall was in the prompt March position which ended £47.50 down at £1,297.50 a tonne. Traders said this reflected March's re-alignment with the forward quotations which had already lost considerable ground.

● THE UK Meat and Livestock Commission (MLC) has published a report* examining national aids available to the meat and livestock industries of *four Continental EEC countries* writes Richard Mooney.

The main objective of the report, compiled by Mr E. M. Rolfe, director of the European Research Bureau in Brussels, "is to stimulate discussion on national aids and how they could be better exploited to the benefit of the British meat and livestock industry," the MLC says.

It covers France, West Germany, the Netherlands and Denmark. These countries were chosen because they are broadly similar to the UK in their livestock economies, but very different in the nature and extent of support to the meat sectors.

* *National Aids to Meat Production, Processing and Distribution in the EEC: The Situation in France, W. Germany, the Netherlands and Denmark, £10.*

● SOUTH AFRICA's 1982-83 maize crop will be below 8.5m tonnes and could fall short of 8m if substantial rains do not fall this month. Drought-affected crop has received little rain since mid-January and even with perfect conditions this month, 8.5m tonnes could not be obtained.

Lost in a bureaucratic maze

Farmer's Viewpoint: John Cherrington takes a disenchanted look at the intervention system

I ENTERED my quality wheat for breadmaking intervention in October. It was carefully sampled by a Ministry official in November and accepted in that month for delivery in December. The final load was delivered to the store on December 20.

On January 14 I received the acceptance details: on December 28 a calculation of the money that was due and on February 5 the cheque arrived. As that was a Saturday it took another three days before the cheque was cleared.

This adds up to seven weeks between delivery and payment, about twice the time that the maltsters or merchants take to square their accounts. This was roughly as long as it took last time, and I suppose it could be termed an improvement, because in this last exercise the New Year and Christmas holidays must have stopped all bureaucratic activity.

What riled me, though, was that during the time that I was waiting for payment the wheat market took off, and is still *rising. I could have sold mine* for as much as I received, just under £124 per tonne at farm, on the spot market, and probably a good deal more, without any argument about quality or moisture.

In Brussels in November, I met a cereal management committee official who said the British were beginning to get a reputation for crying wolf. "Every year," he said, "your officials tell me there will be a big carryover, but for some reason it never happens."

This is a serious point. Most farmers exaggerate their yields, and the officials who compile the statistics have no facts to work on except farmers' estimates of their crops. The buyers seize on these figures and use them to keep the market down as well as they can. In the circumstances of last autumn, the wheat price was so low that sales to breadmaking intervention looked to be a very good outlet—better than exporting.

The Home Grown Cereals Authority reckoned that on the basis of the harvest estimate there would be a wheat surplus of 2.5m tonnes. Exports up to December 31 amounted to 1.4m tonnes and a further 500,000 tonnes are committed to go before the end of February. In addition 460,000 tonnes have been placed in intervention stores, so it looks as though nearly 2.4m tonnes have already *been taken off the British mar*ket which would practically clear it of uncommitted grain.

Part of the export surge has been due to the slide in sterling which made UK grain highly competitive on the overall EEC export market. UK grain was moved overseas while French silos remained bunged up with wheat.

With nearly 500,000 tonnes of breadmaking wheat in store there should be no shortage. But the snag is that under EEC rules the price ex-intervention store is the reference price for the month plus 1 per cent. For February it would mean a price of £133.50 ex-store.

The strength of the wheat market has pulled up that for feed barley which had been *languishing* until the turn of the year. Compounders were preferring to use wheat or cereal substitutes in their rations. The weakness of sterling has significantly raised the cost of the substitutes to UK compounders and in consequence their use is likely to fall.

There are 1.25m tonnes of barley in intervention at the moment which could be *released onto the market at any* time at the Intervention price for the month plus 1 per cent—roughly £121.20 per tonne for February ex store.

So far, the market price for feed barley is just on £115 per tonne, ex farm. At this level it is still marginally more attractive to offer barley for intervention and in fact 55,000 tonnes were so offered last week.

The barley price is almost certain to rise further now that *ex farm wheat looks to be dry*ing up. The big question is the size of the stocks left on farms which are unsold. Should this cupboard prove to be bare there could be a run on the barley intervention stores.

The EEC cereal management committee would certainly prefer this to having to allow for an export cost of between £50 and £60 per tonne.

I do, in fact, have a small tonnage of barley to sell and like every one else in the grain business I wish I was better informed.

Carton milk accounts for 16% of sales

BY MAURICE SAMUELSON

DOORSTEP fresh milk deliveries in the UK, which could be crippled if Britain imported large quantities of Ultra Heat Treated milk, are already in steady decline as sales shift to shops and supermarkets.

Sales of milk in cartons in 1982 accounted for a record 16 per cent of all liquid milk sold in the UK, exceeding for the first time 1bn litres, the Milk Carton Manufacturers' Association announced in London.

In the same year, total liquid milk sales—most of it delivered in glass bottles on the door step—fell below 7bn litres for the first time in many years.

Our Legal Correspondent writes: The full text of the European Court's judgment on UHT milk, now received in London makes it perfectly clear that a total prohibition of imports, introduced by the British Government as a temporary measure after the European Court's judgment, must be considered as a restriction on trade prohibited by Article 30 of the EEC Treaty.

But the European Court leaves certain possibilities open for controlling the condition of the imported milk on importation.

The UK may lay down the objective conditions which it considers necessary about the quality of the milk before treatment and the methods of treating, and packing UHT milk of whatever origin offered for sale in the UK.

In stipulating that imported UHT milk must satisfy such requirements, the UK should, however, not go beyond that which is strictly necessary for *the protection of consumer* health. It could meet such requirements by requesting importers to produce certificates issued by the authorities of the exporting member state.

Sugar licences expected today

EEC SUGAR export licences under this week's regular tender should go through today, two days later than usual.

The EEC Commission proposal that 41,000 tonnes of white sugar be authorised for export with a subsidy of 36.878 European Currency Units per 100 kilos—similar figures to those agreed at recent tenders—was rejected at Wednesday's tender.

Commission officials said yesterday that legal proceedings had been instituted to allow a decision to be made today. Member governments could reject the decision but the officials thought it was highly unlikely that they would do so.

Indian foodgrain production down

FOODGRAINS production in India in the agricultural year 1982 is estimated to have fallen by at least 5m tonnes from the record 133m tonnes in the *previous year. The loss could be* as high as 8m tonnes if the winter crop does not come up to expectation.

The estimates come from Rao Birendra Singh, Minister for Agriculture. He said yesterday that the present stocks of foodgrains were just over 12m tonnes. This is the minimum considered necessary for buffer *stock purposes.*

A committee of experts recommended a couple of years ago that in addition to the 12m tonnes of foodgrain for buffer stock purposes, the Government should have "operational stocks" of another 8m tonnes

The Minister said that the stocks did not take into account 3m tonnes out of about 4m tonnes that had recently been bought in the U.S. markets but had not yet arrived in India. This should be shipped in the next few weeks.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 10 1983	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt.	$1150/1160	......	$1050/1060
Copper			
Cash h grade	£1047.5	+7.5	£1007.75
3 mths	£1078.25	+6.75	£1040.5
Cash Cathode	£1023	+8	£969.5
3 months	£1053.5	+8.5	£1000.5
Gold troy oz	$496	+3.5	$467.5
Lead Cash	£287.5	—1.5	£307.5
3 months	£298.75	—1.5	£320.25
Nickel	£4594	......	£4384
Free mkt.	185/215c	+3	178/206c
Palladium	$123.00	+11.75	‡
Platinum	$300.40	+3.95	£301.25
Quicksilver†	$335/345	......	$345/350
Silver troy oz	903.80p	+9.25	790.15p
3 mths	926.40p	+8.65	811.60p
Tin cash	£8445	+2.5	£7602.5
3 month	£8425.5	—1	£7615
Tungsten	$78.78	......	$92.25
Wolfam 22.04 lb	$79/85	+1	$78/82
Zinc Cash	£440	—0.5	£462
3 mths	£454.75	—0.575	£468
Producers	$750-800	......	$800

	Feb. 10 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$455z	+5	$445
Groundnut	$452.5z	......	$460
Linseed Crude	£310	......	£316
Palm Malayan	$372.5x	......	$370
Seeds			
Copra Philip	‡	......	$305
Soyabean (U.S.)	$258	......	$243
Grains			
Barley Fut. May	£119.55	+0.7	£115.45
Maize	£147.00	......	£147.00
Wheat Fut. May	£132.65	+1.6	£122.10
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1348	—48	£1210
Fut. May	£1318.5	—10	£1189.5
Coffee Ft. May	£1643.5	—7	£1618.5
Cotton A. Index	73.65c	—0.1	71.55c
Gas Oil Mar.	$239.5	+0.25	$259.25
Rubber (kilo)	61.5p	—0.25	54.5p
Sugar (Raw)	£109z	—2	£95
Woolt'ps 64s	402p kilo	......	384p kilo

‡ Unquoted. w March. x April. z Feb-March. † Per 16-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	29.60-29.75	—
Iranian Light	27.10-28.25	—
Arabian Heavy	27.75-28.00	—
North Sea (Forties)	28.70-29.20	—
North Sea (Brent)	28.70	—
African (Bonny L'ht)	29.75-30.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	267-270	—
Gas oil	248-250	—0.5
Heavy fuel oil	148-150	—

GAS OIL FUTURES

Sheikh Yamani's public acceptance of a price cut pushed prices down during the morning. Rumours of a BNOC price cut put further pressure on the market in thin conditions, before an official denial sparked a rally to the highs, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb.	246.25	+1.00	247.00-43.50
March	239.50	+0.25	240.50-36.25
April	234.75	+1.75	234.50-30.50
May	232.75	+2.50	232.50-28.50
June	232.50	+1.00	232.50-28.25
July	232.00	—1.00	232.00
Aug.	233.50	—0.50	—
Sept.	236.50	+1.00	—
Oct.	239.00	+1.75	239.00-39.00

Turnover: 2,002 (1,798) lots of 100 tonnes.

GOLD MARKETS

Gold rose $3½ to $495½-496½ in quiet London bullion trading. The metal opened at $493-494, and was fixed at $494.75 in the morning, and $496.00 in the afternoon. It touched a low of $492½-493½, and a peak of $496½-$497½.

In Paris the 12½ kilo gold bar was fixed at FFr 109,000 per kilo ($495.46 per ounce) in the afternoon, compared with FFr 109,000 ($495.74) in the morning, and FFr 110,500 ($497.86) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 38,450 ($495.53), against DM 38,390 ($493.00) previously, and closed at $495½-496½, compared with $490-491.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $494.50 per ounce, against $493.50.

In Zurich gold finished at $495-498, compared with $490-$493.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
February	496.50-98.5	+4.250	—
March	499.00-02.5	+4.750	—
April	503.20-03.4	+3.550	504.00-99.8
May	507.00-08.0	+4.800	505.50
June	511.00-12.0	+3.900	510.40-10.3
July	514.80-16.0	+3.900	—
August	518.50-20.0	+3.800	517.00

Turnover: 547 (700) lots of 100 troy ounces.

BRITISH COMMODITY MARKETS

BASE METALS

Currency considerations and a firm showing by precious metals boosted COPPER prices on the London Metal Exchange. Three months metal dipped to £1068 at the outset, depressed by the overnight Comex performance, but rallied strongly to close the late kerb at £1084, while ZINC closed at £452.5, after £455, and LEAD at £300.5. Renewed speculative buying boosted ALUMINIUM to £795 and NICKEL to £2767.5. Continued buffer stock support held TIN around £8427.5; the Penang price posted its first gain for some three months.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1084-5	+.75	1046.5-7.5	+7.5
3 months	1065-6	—.75	1078-.5	+6.75
Settlem't	1035	+1	—	......
Cathodes				
Cash	1008-.5	—	1022-4	+8
3 months	1039-.5	—.25	1053-4	+8.5
Settlem't	1008.5	—	—	......
U.S. Prod.	—	—	*74-74	......

Amalgamated Metal Trading reported that in the morning three months higher grade traded at £1062, 61.50, 61, 61.50, 64, 64.50, 65, 66, 65.50. Cathodes: Cash £1008.50, 07.50, 08.50, 09, 08.50; three months £1038, 38.50. Kerb: Higher grade, three months £1067, 66.50, 67, 67.50. Afternoon: Higher grade: Three months £1074, 75, 74.50, 76, 76.50, 76, 77, 77.50, 78. Kerb: higher grade traded at £1,081, 81.50, 81.50, 82, 82.50, 83, 84, 83, 83.50, 83, 82.50, 83, 82, 83, 83.50, 84. Turnover: 31,800 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8445-55	+22.5	8440-50	+2.5
3 months	8423-5	+1.5	8425-8	—1
Settlem't	8455	+28	—	......
Standard				
Cash	8435-40	+10	8440-50	+2.5
3 months	8423-5	+1.5	8425-8	—1
Settlem't	8440	+15	—	......
Straits E.	$29.23	+0.08	—	......
New York				

Tin—Morning: Standard, cash £8435; three month £8435, 30, 25, 23, 20, 21, 22, 23, 25. Kerb: Standard, three months £8425. Afternoon: Standard, three months £8430, 27, 30, 28. Turnover: 1,280 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	286.5-7	—5	287-8	—1.5
3 months	298-.5	—2.5	298.5-9	—1.5
Settlem't	287	—5	—	......
U.S. Spot	—	......	*21-28	......

Lead—Morning: Cash £286.50; three months £299, 99.50, 300, 299.50, 99, 98.50. Kerb: Three months £299, 98. Afternoon: Three months £299, 98.50, 98.75, 99. Kerb: Three months £300.50, 01. Turnover: 1,350 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	435.5-6.5	—4.25	439.5-40.5	—.5
3 months	450-1	—4.62	454.5-5	—.575

Nickel—Morning: Three months £2720, 25, 30, 33, 35. Kerb: Three months £2735. Afternoon: Three months £2740, 50, 45, 50, 60, 55, 57. Kerb: Three months £2750, 55, 60. Turnover: 1,170 tonnes.

SILVER

LME—Turnover: 110 (47) lots of 10,000 ozs. Morning: Three months 925.0, 25.5, 26.0, 25.0, 26.0, 26.5, 27.5, 27.0, 27.2. Kerb: three months 927.5, 27.0. Afternoon: Three months 930.0, 30.5. Kerb: three months 930.5, 30.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	903.80p	+9.25	907p	+8
3 months	926.40p	+8.65	930.25p	+8.15
6 months	950.10p	+9.65	—	......
12 months	1001.20p	+9.65	—	......

Silver was fixed 9.25p an ounce higher for spot delivery in the London bullion market yesterday at 903.8p. U.S. equivalents of the fixing levels were: spot $13.90, up 7c; three-months $14.192, up 5.8c; six-month $14.535, up 7.4c; and 12-month $15.288, up 7.1c. The metal opened at 892-894p ($13.84-$13.89) and closed at 905-907p ($13.97-$14.01).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1296-99	—47.5	1317-95
May	1318-19	—10.0	1335-15
July	1334-35	—8.0	1347-29
Sept	1347-48	—6.0	1355-37

Sales: 5,576 (9,134) lots of 10 tonnes.

ICCO—Daily price for Feb 10: 88.34 (89.80). Indicator price for Feb 11: 89.68 (89.39).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
July	1572-74	+1.5	1576-62
Sept	1512-15	+2.5	1515-02
Nov	1464-65	+5.5	1472-49
January	1422-40	+17.0	1421-10
March	1389-00	+3.5	1390-87

Sales: 1,814 (2,182) lots of 5 tonnes.

ICO Indicator price for Feb 9 (U.S. cents per pound): Comp. daily 1979 125.83 (126.30); 15-day average 125.04 (125.09).

GRAINS

Old crop wheat opened 30p up, old crop barley 25p up, and new crops were unchanged. Strong and persistent buying of wheat mainly from one shipper source pushed prices to £2.00 higher on the day before some profit-taking on close pared the gains. New crops were also firm, reports Acli.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Mar 131.80, April/May 121.25, June 121.75 transhipment east coast sellers. English feed fob Mar 128, April/June 133.50 sellers east coast. Maize: French Feb 147 transhipment west coast. S. African white/yellow Mar/April 97.50. Barley: English Feed fob Mar 122.00 paid, Mar/April 122.00 paid east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S East 115.80, S West 116.00. The UK monetary coefficient for the week beginning Monday February 14 is expected to remain unchanged.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar.	130.50	+1.70	117.70	+0.85
May	132.65	+1.60	119.55	+0.70
July	134.90	+1.65	—	—
Sep.	116.60	+0.35	109.55	+0.20
Nov.	119.30	+0.35	112.85	+0.25
Jan.	122.60	+0.45	115.85	+0.25

Business done—Wheat: Mar 130.65-29.30, May 132.90-1.50, July 135.00-3.80, Sept 116.55-6.40, Nov 119.25-9.10, Jan 122.55-2.50. Sales: 577 lots of 100 tonnes. Barley: Mar 117.80-7.50, May 119.75-9.10, Sept 109.60-9.35, Nov 112.85 only. Jan untraded. Sales: 155 lots of 100 tonnes.

POTATOES

The market was very quiet, easing over the day, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	78.70	79.10	78.90-78.00
May	85.20	85.30	85.00-84.60
Nov	67.30	67.50	—
Feb.	76.50	76.80	—

Turnover: 143 (632) lots of 40 tonnes.

RUBBER

The London physical market opened steadier, attracted little interest at the higher levels and closed easier. Lewis and Peat reported a March fob price for No 1 RSS in Kuala Lumpur of 216.5 (212.0) cents a kg and SMR 20 191.0 (186.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Mar.	610-620	616-618	—
Apr.	620-625	625-627	—
Apl-Jne	631-634	634-637	639-630
Jly-Sept	655-656	659-660	665-654
Oct-Dec	675-676	680-682	688-674
Jan-Mch	698-699	703-704	710-697
Apl-Jne	720-723	726-727	723-722
Jly-Sept	744-745	750-751	750-744
Oct-Dec	767-770	775-783	—

Sales: 464 (289) lots of 15 tonnes, nil (8) lots of 5 tonnes.

Physical closing prices (buyers) were spot 61.50p (61.75p); March 63.50p (63.00p); April 64.50p (64.25p).

SOYABEAN MEAL

The market opened slightly easier but commercial support was found, reports T. G. Roddick. Prices rallied with limited offers to close on the highs.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb	147.00-48.5	+1.50	146.00
April	146.70-46.9	+2.00	146.50-44.50
June	146.50-46.7	+1.25	145.40
August	147.70-48.9	+1.25	147.70-46.50

SUGAR

...trade selling. There was some upward movement during the afternoon, mostly arbitrage inspired, which produced a quietly steady close. India were reported to have sold two cargoes of white sugar for shipment by end of March at $218.50 a tonne, reports C. Czarnikow.

No.4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	113.50-13.75	115.80-16.10	115.25-13.25
May	117.00-17.10	118.05-18.25	118.25-16.80
Aug.	124.60-24.70	125.50-26.00	125.00-23.75
Oct.	131.25-31.50	131.75-32.25	132.25-30.25
Dec.	137.00-37.50	137.00-38.00	137.00
March	145.00-46.50	146.00-47.00	147.00
May	147.00-52.00	147.00-52.00	—

Sales: 1,874 (3,031) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £214.50 (£216.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Feb 9: Daily price 6.45 (6.45); 15-day average 6.23 (6.16).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar 543.0, 543.5, 544.8-543.0; May 562.5, 563.5, 564.9-563.0; July 574.5, 576.0, 575.5-573.0; Oct 555.0, 557.5, 560.0-557.5; Dec 562.0, 563.5, 564.0-562.0; Mar 570.0, 572.0, 573.0; May 578.0, 579.0, 579.5-579.0; July 590.0, 595.0, 595.0. Sales: 225.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 318 tonnes. Further useful orders were booked, with fresh signs of increased activity in many directions. Both Middle Eastern and African growths were sought, while North American styles were also in request.

MEAT/FISH

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.80-£6.50, codling £3.80-£5.50; large haddock £9.20, medium £4.30-£4.80, small £2.70-£3.30; large plaice £5.30-£5.90, medium £4.50-£5.70, best small £4.80; lemon sole (large) £14.50, (medium) £7.00-£8.00; rockfish £3.80-£4.20; saithe £3.20-£3.40.

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 80.7 to 85.2. Lamb: English small 84.0 to 88.0, medium 80.00 to 88.0. Imported: New Zealand PL 49.5 to 50.5, PM 48.0 to 49.5. Pork: English, under 100 lb 35.5 to 50.0, 100-120 lb 43.5 to 48.5, 120-160 lb 38.0 to 45.5.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 93.93p per kg lw (—0.69). GB—Sheep 191.29p per kg est dcw (+6.47). GB—Pigs 65.62p per kg lw (+0.22).

INDICES

FINANCIAL TIMES

Feb. 9	Feb. 9	M'th ago	Y'ar ago
254.99	255.28	247.21	250.32

(Base: July 1 1952=100)

REUTERS

Feb. 10	Feb. 9	M'th ago	Y'ar ago
1670.1	1672.4	1616.8	1619.8

(Base: September 18 1931=100)

MOODY'S

Feb. 9	Feb. 8	M'th ago	Y'ar ago
1064.7	1066.0	1030.9	1014.5

(December 31 1931=100)

DOW JONES

Dow Jones	Feb. 9	Feb. 8	Month ago	Year ago
Spot	145.63	146.04	141.21	130.08
Fut'rs	149.37	149.49	147.45	136.15

(Base: December 31 1974=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 10-kg 3.00-3.80. Minneolas—Jaffa: 4.80-6.30 according to size. Oranges—Spania: Navels 3.80-5.60; Jaffa: Shamouti 40 5.10, 50 5.40, 60 5.75, 75 5.85, 88 5.95, 105 5.60, 123 5.50, 144 5.30, 168 5.10; Moroccan: Navels 3.80-5.00; Sevilles: Spanish: 40-lb 4.00-4.50. Lemons—Turkish: 80/150 3.50-4.00; Cyprus: 9-kg 2.80-3.80; Spania: tray 5-kg 25/50 1.80-2.40; Jaffa 42/49 2.00-2.30. Grapefruit—Cyprus: 27/56 2.60-4.00; Jaffa: 32 4.75, 36 4.85, 40 5.00, 48 5.10, 56 4.30, 64 3.90, 75 3.75, 88 3.40; Ruby 3.50-5.50; U.S.: Ruby 6.50-8.00 according to size. Clementines—Spania: 5.00-6.00. Apples—French: 18-kg Golden Delicious 5.00-6.50, Starkcrimson 4.00-5.50, Granny Smith 5.50-7.60; U.S. Red Delicious 9.50-12.50; Canadian: 10.50-12.50. Pears—Cape: Williams Bon Chretien 33-lb 8.00-8.50; Dutch: Comice 14-lb 3.85-4.20, Conference 12-kg 5.60; Italian: Passacrassane 12/14-lb 0.14-0.18. Peaches—Cape: 3.00-4.00. Nectarines—Chilean: single-layer trays 9.00; Cape: 5.00-5.50. Sharon Fruit—Israeli: 3.00-3.20. Grapes—Spanish: Almeria 4.40; Cape: 11-lb, Bien Donne 8.00, Sultana 10.50-11.00, Dan Ben Hannah 9.50; Brazilian: Italia 11-lb 10.00; U.S. Red Emperor per lb 0.40-0.50. Strawberries—Israeli: 8-oz 0.80-0.85; Spanish 8-oz 0.80; U.S. 12-oz 1.40-1.50. Plums—Cape: Gaviota 3.00-5.00, Eldorado 2.50-4.00, Ruby Nel 3.00-5.00, Harry Pickstone 2.50-5.50, Red Sun 2.50-5.00. Melons—Cape: white 6.50-7.00, yellow 7.50-8.00; Spanish: green 15-kg 14.00-15.00; Brazilian: yellow 10-kg 7.00-9.00. Pineapples—Ivory Coast: 20s 0.40, 12C 0.55, 12B 0.70, 6s 1.10-1.20; Ghanaian: each 0.90-1.20 according to size; Kenyan 6s 1.30-1.50. Bananas—Colombian: 40-lb boxes 9.40-9.60. Avocados—U.S.: 6.50-7.00; Israeli: 2.40-4.00; Canary: 3.80-4.50. Paw Paws—Brazilian: 7.00-7.50. Kiwifruit—New Zealand: 8.00-8.50; U.S.: 7.50-8.00. Mangoes—Brazilian: 6.00; Kenyan: 6.00; S. African: 5.50-6.50. Lichees—S. African: per lb 0.70-0.80.

AMERICAN MARKETS

NEW YORK, February 10

The copper market was very strong with continued support provided by technical buying and computer-generated trading systems: short covering and arbitrage buying became a factor later in the day. Gold and silver rallied strongly on reported rumours of an impending cut in the U.S. discount rate and on continued concern about the fragile international banking system. Heating oil came under pressure early on Yamani's statement that oil price cuts and chaos are inevitable; however, the lower quotes attracted trade buying which brought prices back to the previous close. Cocoa rallied sharply late in the day on spill-over buying from the precious metals and on a technical correction of the slightly oversold situation. Light roaster buying interest and short-covering based on reports of floods in the coffee growing areas of Parana rallied the market for moderate gains. Cotton prices traded slightly higher on a moderate volume most of the day: the underlying support developed in sympathy with the strength in the grains. The grains and soyabeans rallied sharply on heavy commercial and professional buying; short-covering by locals and stop-loss buying by commission houses took maize and soyabean contracts to new highs, reported Heinold commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1872	1880	1815	1845
May	1925	1930	1861	1887
July	1948	1950	1887	1907
Sept	1955	1960	1895	1918
Dec	1957	1957	1920	1935
March	1955	1955	1965	1960

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	125.67	126.38	125.00	125.38
May	121.20	121.90	121.00	121.41
July	119.65	120.15	119.50	120.00
Sept	117.75	118.00	117.75	117.68
Dec	114.78	116.00	114.75	115.60
March	112.13	112.00	111.90	112.13
May	109.25	110.00	108.00	102.50
July	107.95	108.00	108.00	107.45

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	75.30	74.50	74.50	73.10
March	75.75	75.90	74.00	73.55
April	76.50	74.75	74.75	74.30
May	77.25	77.40	75.55	75.05
July	78.65	78.75	77.00	76.45
Sept	79.75	79.75	78.20	77.60
Dec	81.35	81.50	79.80	79.30
Jan	81.90	81.95	80.65	79.90
March	83.00	83.50	81.70	81.05
May	84.10	84.00	83.00	82.20

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
March	65.65	65.65	65.12	65.03
May	66.85	67.10	66.35	66.27
July	68.20	68.20	67.55	67.34
Oct	66.89	66.90	66.40	66.30
Dec	67.25	67.27	66.72	66.70
March	68.50	68.50	68.50	68.00

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	503.6	505.0	495.0	492.2
March	505.3	501.0	[illegible]	494.8
April	509.5	511.0	500.5	498.3
June	517.2	518.0	508.0	506.0
Aug	525.4	526.5	518.2	514.2
Oct	533.9	530.0	525.0	522.7
Dec	542.5	541.0	535.0	531.3
Feb	551.2	550.0	544.5	540.1
April	560.1	565.0	555.0	549.1
June	569.2	565.5	564.0	558.3
Aug	578.5	—	—	567.6
Oct	587.9	—	—	577.2
Dec	597.4	593.0	598.0	586.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
March	75.53	75.90	75.15	75.78
April	73.18	73.70	72.80	73.45
May	72.46	72.89	72.10	72.66
June	72.87	73.10	72.40	72.95
July	73.31	73.60	73.00	73.28
Aug	73.90	73.95	73.50	73.80
Sept	75.00	75.00	74.50	76.00
Oct	76.00	76.00	76.00	76.00
Nov	77.10	77.10	77.10	77.15
Dec	78.25	78.50	78.00	78.50

PLATINUM 50 troy oz, $/troy oz

	Latest	High	Low	Prev
Feb	464.0	—	—	456.0
March	464.0	—	—	458.0
April	481.5	481.5	466.0	461.5
July	485.5	485.5	470.5	465.5
Oct	490.0	490.0	477.5	472.0

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	63.20	63.25	62.60	62.20
April	63.47	63.50	62.65	62.37
June	64.42	64.50	63.75	63.55
Aug	63.10	63.20	62.75	62.42
Oct	61.27	61.40	60.90	60.65
Dec	62.37	62.65	62.32	61.77

EUROPEAN MARKETS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

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Financial

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BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

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CHEMICALS, PLASTICS—Cont.

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ELECTRICALS—Continued.

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FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

LEISURE

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INSURANCES

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LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

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TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
270	75	Falcon Rh.50c	270		025c	10.3	6.4
33	18	Wankie Col. Z$1	20		†03c	1.2	10.2
28	12	Zam Cpr.SBD0.24	27	−1	—	—	—

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

For Burma see Southwest Res

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
135	27	♥Coloy Res Corp	105	−10	—	—	—
460	170	Cons. Murch 10c	460	+10	‡060c	1.9	‡
8	1½	‡‡Explaura Gold	5		—	—	—
155	55	♥Highwood Res	145		—	—	—
£40½	£25	Homestake Mining $1	£37⅞	−⅛	040c	—	0.6
495	160	Northgate C$1	435	−15	—	—	—
552	344	R.T.Z.	532	+2	16.0	2.6	4.3
£122	£84	Do 9¼%Cv Ln 95-2000	£118	−1	Q9½%	23.9	8.1
30	11	♥Sabina Inds C$1	30		—	—	—
17½	12½	♦Southwest Res 10p	15½	−2	—	—	—
530	270	♥Tara Exptn $1	470	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B Fr. Belgian Francs. Fr. French Francs. ◊◊ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p	48	
Bertrams	17#	
Bdg'wtr. Est. 50p	485	
Craig & Rose £1	£12½	
Finlay Pkg. 5p	31	
Graig Ship. £1	£21	
Higsons Brew.	105	
Holt (Jos) 25p	880	
I O M Stm £1	100xd	+3
Pearce (C. H.)	£12	
Peel Hldgs.	162	

IRISH

Stock	Price	+ or −
Exch. 15pc 1983	£100	
Nat. 9¼% 84/89	£81⅞	+⅞
Fin. 13% 97/02	£94	−1⅛
Alliance Gas	115	
Arnott	188	
Carroll (P J)	82	
Concrete Prods	48	
Heiton (Hldgs.)	13	
Ins. Corpn. Ireland	350	
Irish Ropes	26	
Jacob	81	+1
T M G	90	
Unidare	42	−1

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	15	House of Fraser	15	Utd. Drapery	7
BOC Grp	17	I C I	24	Vickers	12
B.S.R.	6	"Imps"	10	Woolworth Hld	15
Babcock	10	I.C.L.	8	**Property**	
Barclays Bank	35	Ladbroke	16	Brit. Land	7½
Beecham	35	Legal & Gen.	28	Cap. Counties	12
Blue Circle	44	Lex Service	16	Land Secs.	26
Boots	22	Lloyds Bank	35	MEPC	17
Bowaters	19	"Lots"	4	Peachey	14
Brit. Aerospace	20	London Brick	11	Samuel Props.	10
B.A.T.	50	Lucas Inds.	12	Town & City	3
Brown (J)	4	"Mams"	12	**Oils**	
Burton Ord.	24	Mrks. & Spncr	16	Brit. Petroleum	26
Cadburys	11	Midland Bank	30	Burmah Oil	12
Courtaulds	8	N E I	9	Charterhall	5
Debenhams	8½	Nat. West. Bank	38	KCA	8
Distillers	20	P & O Dfd	14	Premier	4
Dunlop	5½	Plessey	50	Shell	35
Eagle Star	30	Racal Elect	45	Tricentrol	22
F.N.F.C.	4	R.H.M.	6	Ultramar	42
Gen. Accident	30	Rank Org. Ord.	15	**Mines**	
Gen. Electric	24	Reed Intnl	26	Charter Cons.	20
Glaxo	90	Sears	9	Cons. Gold	40
Grand Met.	25	T I	13	Lonrho	8
G U S "A"	50	Tesco	8	Rio T. Zinc	42
Guardian	35	Thorn EMI	38		
G.K.N.	15	Trust Houses	13		
Hawker Sidd	30	Turner & Newall	4		
		Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

Companies and Markets

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound's rise checked by oil price fears

Sterling finished below its best levels yesterday after comments by Saudi Arabian oil minister Sheikh Yamani that a cut in oil prices was inevitable. However, the reaction was limited to some extent by a continued weakening in the value of the U.S. dollar. Expectations of lower interest rates despite high Federal borrowings and a widening current account deficit served to undermine the dollar while political developments in West Germany ahead of next month's general election also worked against the U.S. unit. The strength of the D-mark also put renewed pressure on the weaker members of the European Monetary System, notably the French and Belgian francs.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade weighted index 81.0 against 81.0 at noon and 81.3 in the morning and compared with 81.2 on Wednesday and 90.7 six months ago. The pound is showing signs of stability after a period of extreme weakness caused by fears of lower world oil prices and uncertainty about an early general election. Sterling is recovering slowly helped by a recent softening of the U.S. dollar.

Sterling opened at $1.5525 against the dollar and had eased by noon to $1.5425 by noon. It touched a low of $1.5325 before recovering to close at $1.5445-1.5455, a rise of 30 points. Against the D-mark it fell to DM 3.7275 from DM 3.75 and SwFr 3.11 from SwFr 3.12. It was down against the yen at Y363½ from Y365 and fell in terms of the French franc to FFr 10.5550 from FFr 10.6275.

DOLLAR — Trade weighted index (Bank of England) 119.5 against 122.7 six months ago. The dollar is much stronger compared with levels at the start of the year as the expected fall in U.S. interest rates has failed to materialise. High Federal funding requirements have also kept rates firm although a softer trend has developed recently on speculation about an easing of monetary policy and signs of an economic recovery in the U.S.

The dollar fell to DM 2.4115 from DM 2.4300 against the D-mark and SwFr 2.0110 from SwFr 2.0225. It was also lower against the yen at Y235.10 from Y236.25 and FFr 6.8330 compared with FFr 6.8925.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade-weighted index 128.5 against 124.3 six months ago. The D-mark has shown a weaker tendency in the run up to the March general election. Favourable trade figures and fading hopes of lower German interest rates started to reverse the trend, but the D-mark in common with other currencies has suffered from the problems of a strong dollar.

The D-mark was very strong at the Frankfurt fixing, improving against most other members of the EMS and the dollar. The D-mark was boosted in early trading by a report in the West German press that the Federal Constitutional Court intended to prevent the March election taking place, although this was later denied. A decision from the court is due on February 16. The dollar fell to DM 2.4122 from DM 2.4247 at the fixing, and sterling to DM 3.7190 from DM 3.7420.

FRENCH FRANC — Trading range against the dollar in 1982-83 is 7.3250 to 5.6850. January average 6.7754. Trade-weighted index 74.2 against 73.5 six months ago. The franc appears to be rather vulnerable against its stronger EMS partners, particularly the D-mark, reflecting the weakness of the French economy and unfavourable inflation differentials. The French currency is around a record low against the D-mark.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.0542	+0.19	+1.56	±1.5501
Danish Krone ...	8.23400	8.08288	−1.84	−0.47	±1.6430
German D-Mark	2.33379	2.28999	−1.88	−0.51	±1.0888
French Franc ...	6.61387	6.49337	−1.82	−0.45	±1.3940
Dutch Guilder ...	2.57971	2.53105	−1.89	−0.52	±1.5004
Irish Punt.........	0.691011	0.689517	−0.22	+1.15	±1.6691
Italian Lira	1350.27	1319.76	−2.26	−1.45	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Feb. 10	£	$		£ Note Rates
Argentina Peso .	86,426-86,466	56,000-56,050	Austria..	26.10-26.40
Australia Dollar..	1.5890-1.5910	1.0300-1.0310	Belgium...	75.95-76.95
Brazil Cruzeiro ..	430.60-431.60	278.70-280.09	Denmark..........	13.09-13.23
Finland Markka..	8.2785-8.2945	5.3585-5.3595	France..	10.52-10.62
Greek Drachma..	126.709-128.916	82.60-82.90	Germany..........	3.71-3.75
Hong Kong Dollar	10.18-10.20	6.6030-6.6080	Italy	2125-2165
Iran Rial.	129.50*	84.25*	Japan.	363-368
Kuwait Dinar (KD)	0.448-0.449	0.2909-0.2910	Netherlands......	4.09½-4.13½
Luxembourg Fr..	73.35-73.45	47.50-47.52	Norway	10.85-10.95
Malaysia Dollar..	3.4975-3.5125	2.2695-2.2715	Portugal	140-155
New Zealand Dlr.	2.1375-2.1440	1.3845-1.3865	Spain..	189¾-206
Saudi Arab. Riyal	5.3040-5.3115	3.4400-3.4410	Sweden.	11.37-11.47
Singapore Dollar	3.1875-3.2025	2.0680-2.0700	Switzerland	3.09½-3.13½
Sth. African Rand	1.7380-1.7395	1.1250-1.1260	United States....	1.53¼-1.55¼
U.A.E. Dirham....	5.6620-5.6700	3.6720-3.6730	Yugoslavia..	112-121

*Selling rates.

CURRENCY MOVEMENTS

Feb. 10	Bank of England Index	Morgan Guaranty Change %
Sterling..............	81.0	−39.2
U.S. dollar..........	119.5	+10.2
Canadian dollar...	90.1	−17.2
Austrian schilling.	120.5	+29.7
Belgian franc	94.0	−2.2
Danish kroner	83.9	−9.5
Deutsche mark. ...	128.5	−54.9
Swiss franc..........	151.0	+106.6
Guilder	118.9	+27.2
French franc.......	74.2	−19.1
Lira..	53.4	−58.5
Yen.....................	144.9	+38.6

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling ...	—	0.708863	0.616559
U.S. $	8½	1.09265	0.949810
Canadian$.	9.91	*	1.16352
Austria Sch	4¾	18.5890	16.0995
Belgian F ...	11½	51.9555	45.0542
Danish Kr ...	10	9.29845	8.08288
D mark	5	2.68569	2.28999
Guilder	4½	2.91628	2.53105
French F......	9½	7.47646	6.49337
Lira ...	18	1518.84	1319.76
Yen	5½	258.302	223.870
Norwgn Kr	9	7.70646	6.71706
Spanish Pta	—	140.730	122.383
Swedish Kr .	9	8.06922	7.02574
Swiss Fr	4½	2.20409	1.91786
Greek Dr'ch	20½	90.7681	78.9292

* CS/STR rate for Feb 9: 1.33747.

THE POUND SPOT AND FORWARD

Feb 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5325-1.5535	1.5445-1.5455	0.32-0.27c pm	2.29	0.73-0.68 pm	1.82
Canada	1.8770-1.9030	1.8945-1.8955	0.30-0.20c pm	1.58	0.65-0.55 pm	1.27
Nethlnd.	4.09-4.14	4.11½-4.12½	2¼-1¼c pm	5.83	6¾-5⅞ pm	5.95
Belgium	72.80-73.70	73.35-73.45	5-15c dis	−1.63	47-57 dis	−2.83
Denmark	13.06-13.19	13.17-13.18	5¼-6⅞ore dis	−5.63	23¼-24½dis	−7.25
Ireland	1.1180-1.1280	1.1220-1.1240	0.42-0.54p dis	−5.13	1.26-1.47dis	−4.86
W. Ger.	3.70-3.75	3.72¼-3.73¼	1⅞-1¾pf pm	5.23	5¼-4⅞ pm	5.23
Portugal	140.00-144.00	141.25-143.25	595-1455c dis	−86.47	870-2430dis	−46.40
Spain	198.20-199.60	199.15-199.45	120-205c dis	−9.78	385-470 dis	−8.58
Italy	2,132-2,154	2,144½-2,146½	14½-17½ lire dis	−8.95	60-64 dis	−11.56
Norway	10.83-10.95	10.92-10.93	1½-2½ore dis	−2.26	8¼-9¾ dis	−3.23
France	10.48½-10.60½	10.55-10.56	4½-6¼c dis	−6.25	27½-29½dis	−10.80
Sweden	11.32-11.46	11.44½-11.45½	½-1½ore dis	−0.92	1½-2½ dis	−0.74
Japan	361-367	363-364	1.40-1.20y pm	4.29	3.90-3.70 pm	4.18
Austria	26.10-26.30	26.17-26.22	11¼-9¾gro pm	4.69	33½-28½ pm	4.73
Switz.	3.09-3.13	3.10½-3.11½	2½-1½c pm	8.20	6½-6 pm	8.04

Belgian rate is for convertible francs. Financial franc 76.20-76.30. Six-month forward dollar 0.97-0.92c pm, 12-month 1.25-1.10c pm.

THE DOLLAR SPOT AND FORWARD

Feb 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5325-1.5535	1.5445-1.5455	0.32-0.27c pm	2.29	0.73-0.68 pm	1.82
Ireland†	1.3750-1.3795	1.3780-1.3795	0.90-0.80c pm	7.41	2.38-2.28 pm	6.74
Canada	1.2245-1.2270	1.2260-1.2270	0.05-0.08c dis	−0.64	0.15-0.18dis	−0.54
Nethlnd.	2.6575-2.6700	2.6630-2.6650	0.90-0.85c pm	3.94	3.02-2.95 pm	4.48
Belgium	47.47-47.55	47.50-47.52	15-17c dis	−4.04	53-58 dis	−4.67
Denmark	8.5070-8.5475	8.5150-8.5250	3½-4½ore dis	−5.63	13.40-14.40d	−6.52
W. Ger.	2.4040-2.4240	2.4110-2.4120	0.64-0.59pf pm	3.06	2.12-2.07 pm	3.47
Portugal	91.00-94.50	91.50-93.00	400-950c dis	−88.04	600-1600dis	−47.83
Spain	128.35-128.05	128.60-128.90	95-145c dis	−11.20	310-360dis	−10.42
Italy	1,386-1,391½	1,388½-1,389½	13-14 lire dis	−11.65	45-47 dis	−13.23
Norway	7.0600-7.0900	7.0750-7.0850	2-3ore dis	−4.24	8-9 dis	−4.80
France	6.8225-6.8525	6.8305-6.8355	4½-5¼c dis	−8.76	21-22 dis	−12.56
Sweden	7.3870-7.4130	7.4025-7.4125	1.40-1.90ore dis	−2.67	3.85-4.35dis	−2.21
Japan	234.85-236.50	235.05-235.15	0.45-0.38y pm	2.12	1.50-1.40 pm	2.47
Austria	16.93-16.96½	16.94½-16.95½	4.30-3.50gro pm	2.76	14¾-12¼ pm	3.19
Switz.	2.0030-2.0240	2.0105-2.0115	1.00-0.95c pm	5.82	3.20-3.15 pm	6.31

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.30-49.40.

EXCHANGE CROSS RATES

Feb. 10	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.545	3.728	363.5	10.555	3.110	4.118	2146.	1.895	78.40
U.S. Dollar	0.647	1.	2.413	235.3	6.832	2.013	2.665	1389.	1.227	47.51
Deutschemark	0.268	0.414	1.	97.52	2.832	0.834	1.105	575.6	0.508	19.69
Japanese Yen 1,000	2.751	4.250	10.25	1000.	29.04	8.556	11.33	5902.	5.213	201.9
French Franc 10	0.947	1.464	3.532	344.4	10.	2.946	3.901	2033.	1.795	69.54
Swiss Franc	0.322	0.497	1.199	116.9	3.394	1.	1.324	689.9	0.609	23.60
Dutch Guilder	0.243	0.375	0.905	88.26	2.563	0.755	1.	521.1	0.460	17.83
Italian Lira 1,000	0.466	0.720	1.737	169.4	4.920	1.450	1.919	1000.	0.883	34.21
Canadian Dollar	0.528	0.815	1.967	191.8	5.570	1.641	2.173	1132.	1.	38.73
Belgian Franc 100	1.362	2.105	5.078	495.2	14.38	4.237	5.610	2923.	2.582	100.

FINANCIAL FUTURES

Cable watching

Traders on the London International Financial Futures Exchange describe yesterday as being dominated by "cable watching." Both the long term gilt contract and short sterling responded sharply to the volatile movements of the pound on the foreign exchanges. With sterling above $1.55 against the dollar in the early morning the March gilt price opened very firm at 100-10, compared with the previous close of 99-29. It touched a peak of 100-16, but retreated to 99-10 following the comment by Sheikh Yamani, the Saudi Arabian Oil Minister, that his country sees no way out of a price reduction for its oil.

Dealers also meantioned the importance of petroleum revenue tax payments due early next month, which may prompt buying of sterling by the North Sea producers.

Although the market was not surprised by the Saudi Arabian news it prompted a bout of profit taking, followed by a fairly quick recovery. The March contract closed at 100-08, a rise of 11 on the day. Volume remained concentrated in the near date, indicating that many contracts will probably be taken through to delivery, rather than rolled over into June, where there were only 15 trades, in contrast to short sterling where June attracted slightly more business than March. The March price finished just 1 basis point higher on the day at 89.47, and June 4 points higher at 89.81.

Eurodollar volume of 837 lots was disappointing, but prices ended very firm, with March at 90.81, compared with 90.58 on Wednesday, encouraged by demand on the IMM in Chicago. The strength of U.S. domestic instruments, including Treasury bill futures, helped sentiment, but activity was restricted by uncertainty about interest rate trends.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.71	90.71	89.96	90.58
June	90.31	90.33	90.24	90.19
Sept	90.03	90.04	89.96	89.90
Dec	89.80	—	—	89.74
March	89.68	—	—	89.55

Volume 837 (1,361)
Previous day's open int 3,218 (3,214)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	89.47	89.58	89.40	89.46
June	89.81	89.90	89.77	89.77
Sept	89.83	89.86	89.78	89.79
Dec	89.83	—	—	89.82

Volume 1,149 (1,247)
Previous day's open int 2,469 (2,601)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	100-08	100-16	99-10	99-29
June	99-31	100-03	98-26	99-20
Sept	99-16	99-16	99-10	99-06

Volume 1,365 (1,071)
Previous day's open int 2,361 (2,308)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) −8 to par cum div 6/14 ex div (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5400	1.5515	1.5315	1.5406
June	1.5350	1.5465	1.5343	1.5374
Sept	1.5305	—	—	1.5345

Volume 621 (432)
Previous day's open int 831 (841)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4152	0.4160	0.4152	0.4125
June	0.4197	0.4198	0.4192	0.4165
Sept	0.4178	—	—	0.4146

Volume 71 (105)
Previous day's open int 238 (249)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4978	0.5004	0.4971	0.4980
June	0.5076	—	—	0.5074
Sept	0.5140	—	—	0.5138

Volume 173 (81)
Previous day's open int 287 (264)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4245	0.4256	0.4239	0.4234
June	0.4275	0.4293	0.4274	0.4262
Sept	0.4324	—	—	0.4221

Volume 167 (163)
Previous day's open int 239 (235)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	73-22	73-24	73-03	72-28
June	72-31	73-00	72-12	72-05
Sept	72-13	72-14	71-27	71-20
Dec	72-00	72-01	71-14	71-08
March	71-21	71-21	71-05	70-30
June	71-14	71-14	71-00	70-23
Sept	71-07	71-07	70-27	70-17
Dec	71-01	71-01	70-22	70-12
March	—	—	—	70-08
June	—	—	—	70-04

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.81	91.83	91.70	91.66
June	91.56	91.58	91.43	91.40
Sept	91.29	91.31	91.20	91.16
Dec	91.06	91.10	90.96	90.93
March	90.83	90.83	90.79	90.70
June	90.60	90.60	90.52	90.48
Dec	—	90.16	—	90.08

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.08	90.09	90.01	89.96
March	91.11	91.14	91.03	90.99
June	90.61	90.62	90.52	90.47
Sept	90.29	90.30	90.25	90.19

THREE-MONTH EURODOLLAR (IMM) $1m points of 100 per cent

	Latest	High	Low	Prev
March	90.46	90.49	90.37	90.34
June	90.06	90.06	89.98	89.93
Sept	89.76	89.77	89.72	89.67
Dec	89.56	89.57	89.50	89.45
Feb	—	—	—	—

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.5450	1.5470	1.5370	1.5405
June	1.5385	1.5410	1.5325	1.5365
Sept	1.5370	1.5390	1.5315	1.5335
Dec	1.5320	1.5380	1.5310	1.5315
March	—	—	—	—
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-16	68-19	67-27	67-22
June	67-15	67-19	66-28	66-22
Sept	66-26	66-28	66-14	66-01
Dec	66-07	66-07	65-26	65-13
March	65-11	65-20	65-11	64-30
June	65-08	65-08	64-30	64-18
Sept	65-00	65-00	64-16	64-04
Dec	—	—	—	63-28
March	—	—	—	63-22
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

UK rates slightly easier

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

UK interest rates were a little easier where changed yesterday, helped by sterling's continued improvement against the dollar. Sentiment was quite bullish in the morning but suffered with sterling on reports that a cut in oil prices was inevitable. However most people remained optimistic. Six-month sterling CDs eased to 10 13/16-10 11/16 per cent from 10 7/8-10 3/4 per cent while buying rates for three-month eligible bank bills were quoted at 10 23/32-10 21/32 per cent compared with 10 25/32-10 23/32 per cent.

Short-term rates fell towards the close with the Bank of England meeting most of the day's shortage through sale and repurchase agreements. Some minor ripples may also have been felt following Tuesday's heavily over subscribed Associated British Ports share offer. Overnight interbank money opened at 11¼-11½ per cent and fluctuated between 11 per cent and 11¾ per cent before falling away to finish at 5 per cent.

The Bank forecast a shortage of around £600m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£413m and Exchequer transactions −£50m. There was also a rise in the note circulation of £30m. Assistance in the morning totalled £545m and comprised purchases of £16m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £33m in band 2 (15-33 days) at 11 per cent. It also arranged sale and repurchase agreements on £496m of bills at 11 1/32-11 1/16 per cent, unwinding on February 16. Further help was given by the Bank in the afternoon of £41m, making a grand total of £586m. The afternoon help comprised purchases of £20m of eligible bank bills in band 1 at 11 per cent and £21m in band 2 at 11 per cent.

In Frankfurt call money fell to 5.80-5.85 per cent from nearer 6 per cent on Wednesday. This was seen as a result of funds being deposited earlier than normal with commercial banks ahead of next week's carnival celebration in some parts of the country.

LONDON MONEY RATES

Feb. 10 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight..	—	5-11¾	—	—	—	11-11¾	11-11¼	—	—	—
2 days notice .	—	—	11-11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛-11¾	—	—	—	—
7 days notice ..	—	11⅛-11⅝	11⅛-11¼	—	—	11⅝	11-11⅛	—	—	—
One month	11 1/16-11 1/16	11¼-11⅜	11¼	11¾-11⅛	11⅛	11½	10¾-11	11-11 1/16	11 1/16-11 1/32	11 9/16
Two months ..	11 1/16-11 1/32	11⅛-11¼	11⅛-11¼	11⅝-11¼	11⅛	11⅝	10⅝	10 15/16-11	10 15/16-10 7/8	11 1/2
Three months.	11 1/16-10 7/8	11-11 1/16	11-11⅛	11⅝-11¼	11	—	10⅝	10 13/16-11	10 13/16-10 3/4	11 1/16
Six months	10 13/16-10 11/16	10 15/16-11	10⅞-11	11-10⅝	10⅞-11	—	—	—	10⅝	11
Nine months ...	10¾-10⅝	10 13/16-11	—	11¼-10⅞	10⅞-11	—	—	—	—	—
One year	10¾-10⅝	10 13/16-11	10¾-10⅞	11-10¾	10⅞-11	—	—	—	—	—
Two years.	—	—	11-11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼-11½ per cent; four years 11½-11¾ per cent; five years 11½-11¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝ per cent; four months trade bills 11¼ per cent.

Approximate selling rate for one month Treasury bills 10⅞-10 13/16 per cent; two months 10 13/16-10⅞ per cent and three months 10 9/16-10⅞ per cent. Approximate selling rate for one month bank bills 10 29/32-11 per cent; two months 10 7/32-10⅞ per cent and three months 10 13/16-10¾ per cent; trade bills 11 11/32 per cent; two months 11 5/16 per cent and three months 11 3/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.8756 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¾ per cent; one-six-month 11¼ per cent; six-12-month 11 per cent. Under £100,000 10¾ per cent from February 9. Deposits held under Series 3-5 11 per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Feb. 10	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling.. ..	11¼-11½	11¼-11½	11¼-11⅜	11-11⅛	10⅞-11	10⅞-11
U.S. Dollar....	8½-8¾	8 9/16-8⅞	8 15/16-9 1/16	9⅛-9⅜	9 5/16-9 7/16	9¾-10
Can. Dollar...	7-8	8-9	9¼-9½	9 7/16-9 11/16	9⅞-10⅛	10⅜-10⅝
D. Guilder	4⅞-5	4 15/16-5 1/16	4⅞-5	4⅞-5	5-5⅛	5¼-5⅜
S. Franc..	1-1⅛	1¼-1½	2½-2⅝	2⅝-2⅞	3⅜-3½	3 7/16-3 9/16
Deutschm'rk	5⅝-5¾	5⅝-5¾	5⅝-5¾	5⅝-5¾	5¾-5⅞	5 7/16-5 9/16
Fr'nch Franc	12½-13	14-15	17½-18½	21½-22	20⅜-20⅞	18⅜-18⅞
Italian Lira .	16-17½	18-20	21-22⅝	22¾-23⅝	22⅝-23	22-22¾
Belg. Franc..						
Conv. . ..	11-11¾	12-14	12½-13½	13½-14¼	14-14½	13¼-13¾
Fin.	11½-12	12-12¼	12⅛-12⅜	12¼-12½	12⅝-12⅝	12⅜-12⅝
Yen	6⅛-6½	6⅛-6⅜	6 5/16-6⅝	6 9/16-6¾	6 7/16-6⅝	6⅜-6¾
D. Krone......	13½-14	15½-16	16¾-17¼	18⅛-18⅝	18-18½	17⅞-18⅜
Asia $ (Sing.)	8¾-8⅞	8 11/16-8 13/16	8 15/16-9 1/16	9 1/16-9 3/16	9 5/16-9 7/16	9⅞-10

FT LONDON INTERBANK FIXING

11.00 a.m. FEBRUARY 10)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 3/16	offer 9 5/16	bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)...	8⅝-8⅞
Treasury bills (13-week)	8.16
Treasury bills (26-week)	8.29

GERMANY

Lombard	6.0
Overnight rate	5.80-5.85
One month	5.575
Three months	5.875
Six months	5.875

FRANCE

Intervention rate	12.5
Overnight rate	12.75
One month	12.75
Three months	12.8375
Six months	12.8125

JAPAN

Discount rate	5.5
Call (unconditional)	6.59375
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4½
Overnight rate	½-1½
One month	2⅛-2½
Three months	2⅝-2⅞

NETHERLANDS

Discount rate	4½
Overnight rate	5-5¼
One month	4⅞-5
Three months	4⅞-5⅛
Six months	5¼-5½

$ CERTIFICATES OF DEPOSIT

One month	8.65-8.75
Three months	8.80-8.90
Six months	9.15-9.25
One year	9.50-9.70

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11¼-11½
Four years	11¾-12
Five years	11⅞-12⅛

SDR LINKED DEPOSITS

One month	8 15/16-9 5/16
Three months	9½-9⅞
Six months	9 9/16-9 15/16
One year	9 9/16-9 15/16

ECU LINKED DEPOSITS

One month	10¼-10¾
Three months	11⅛-11½
Six months	11¼-11⅝
One year	10⅞-11¼

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday February 9 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.5436
Algeria	Dinar	4.70
Andorra	Fr. Franc	6.875
	Sp. Peseta	129.30
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (f) (4)	54000.
Australia	Dollar	1.0331
Austria	Schilling	17.0325
Azores	Port. Escudo	92.50
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is.	Sp. Peseta	129.20
Bangladesh	Taka	24.14
Barbados	Dollar	2.0113
Belgium	Franc (C)	47.66
	Franc (F)	49.56
Belize	Dollar	2.00
Benin	C.F.A. Franc	343.75
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.9404
Bolivia	Peso (c)	44.00
	Peso (f) (9)	198.00
Botswana	Pula	1.0813
Brazil	Cruzeiro	279.39
Brunei	Dollar	2.0845
Bulgaria	Lev	0.965
Burma	Kyat	7.595
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	343.75
Canada	Dollar	1.2252
Canary Is.	Sp. Peseta	129.20
Cape Verde Is.	Escudo	62.645
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	343.75
Chad	C.F.A. Franc	343.75
Chile	Peso (O) (3 & 7)	74.50
China	Renminbi Yuan	1.9609
Colombia	Peso (O)	71.72
Comoros	C.F.A. Franc	343.75
CongoP'ple.Rep.of	C.F.A. Franc	343.75
Costa Rica	Colon (O)	40.25
	Colon	40.00
Cuba	Peso	0.8531
Cyprus	Pound*	2.0125
Czechoslovakia	Koruna (O)	6.10
Denmark	Krone	8.5402
Djibouti Rp. of	Franc	177.72
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O)	33.15
	Sucre (F)	71.25
Egypt	Pound* (O)	1.4286
	Pound* (1)	1.2092
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	258.40
Ethiopia	Birr (O)	2.0408
Faeroe Is.	Dan. Krone	8.5402
Falkland Is.	Pound*	1.5435
Fiji	Dollar	0.9592
Finland	Markka (6)	5.3745
France	Franc	6.875
Fr. C'ty in Af.	C.F.A Franc	343.75
Fr. Guiana	Franc	6.875
Fr. Pac. Is.	C.F.P. Franc	116.618
Gabon	C.F.A. Franc	343.75
Gambia	Dalasi	2.5915
Germany (E)	Ostmark (O)	2.425
Germany (W)	Mark	2.425
Ghana	Cedi	2.75
Gibraltar	Pound*	1.5435
Greece	Drachma	83.00
Greenland	Dan. Krone	8.5402
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	6.875
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.5418
Guinea Rep.	Syli	22.633
Guyana	Dollar	2.943
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	6.65
Hungary	Forint	39.8703
Iceland	Krona	19.05
India	Rupee	9.9404
Indonesia	Rupiah	700.25
Iran	Rial (O)	84.85
Iraq	Dinar (11)	0.31
Irish Rep.	Punt*	1.3707
Israel	Shekel	56.85
Italy	Lira	1395.50
Ivory Coast	C.F.A. Franc	343.75
Jamaica	Dollar	1.7855
Japan	Yen	236.50
Jordan	Dinar	0.357
Kampuchea	Riel	n.a.
Kenya	Shilling	12.89
Kiribati	Aust. Dollar	1.0331
Korea (Nth)	Won	0.94
Korea (Sth)	Won	752.20
Kuwait	Dinar	0.2913
Lao P'ple D. Rep.	Kip	10.00
Lebanon	Pound	4.03
Lesotho	Loti	1.1271
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.008
Luxembourg	Lux Franc	47.66
Macao	Pataca	6.8919
Madagascar D. R.	Franc	382.50
Madeira	Port. Escudo	92.50
Malawi	Kwacha	1.1135
Malaysia	Ringgit	2.2856
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp.	Franc	687.50
Malta	Pound*	2.3746
Martinique	Franc	6.875
Mauritania	Ouguiya	53.55
Mauritius	Rupee	10.113
Mexico	Peso (10)	149.75
	Peso (5)(cont'd)	70.00
Miquelon	Fr. Franc	6.875
Monaco	Fr. Franc	6.875
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	6.4567
Mozambique	Metica	30.4179
Namibia	S.A. Rand	1.1271
Nauru Is.	Aust. Dollar	1.0331
Nepal	Rupee	15.20
Netherlands	Guilder	2.675
Neth. Ant'les	Guilder	1.90
New Zealand	Dollar	1.5928
Nicaragua	Cordoba	10.05
Niger Rp.	C.F.A. Franc	343.75
Nigeria	Naira (O)	0.6825
Norway	Krone	7.0615
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	12.90
Panama	Balboa	1.00
Papua N.G.	Kina	0.755
Paraguay	Guarani (o) (2)	126.00
	Guarani (m) (2)	160.00
Peru	Sol	1012.25
Philippines	Peso	9.451
Pitcairn Is.	N.Z. Dollar	1.5928
Poland	Zloty (O)	86.85
Portugal	Escudo	92.50
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	6.875
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.5435
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	6.875
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	0.7945
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1395.50
Sao Tome & Principe DR	Dobra	41.4879
Saudi Arabia	Riyal	3.44
Senegal	C.F.A. Franc	343.75
Seychelles	Rupee	6.655
Sierra Leone	Leone (o) (14)	1.2615
	Leone (c) (14)	2.405
Singapore	Dollar	2.0845
Solomon Is.	Dollar	1.0784
Somali Rep.	Shilling	16.1262
	Shilling	6.35
South Africa	Rand	1.1271
Spain	Peseta	129.20
Span. Ports in N. Africa	Sp. Peseta	129.20
Sri Lanka	Rupee	21.68
Sudan Rep.	Pound*	0.78
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.1271
Sweden	Krone	7.41
Switzerland	Franc	2.008
Syria	Pound	3.955
Taiwan	Dollar (O)	39.87
Tanzania	Shilling	9.60
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	343.75
Tonga Is.	Pa'anga	1.0331
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.6404
Turkey	Lira	192.40
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.0331
Uganda	Shilling (5,1st)	109.91
	Shilling (5,2nd)	226.16
Utd. A'b. Emir.	Dirham	3.6717
Utd. Kingdom	Pound Sterling*	1.5435
Upper Volta	C.F.A Franc	343.75
Uruguay	Peso (13)	30.87
U.S.S.R.	Rouble	0.72
Vanuatu	Vatu	111.111
	Aust. Dollar	1.0331
Vatican	Lira	1395.50
Venezuela	Bolivar	4.2938
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.595
Yemen PDR	Dinar	0.3453
Yugoslavia	Dinar	68.5408
Zaire Rp.	Zaire	5.8215
Zambia	Kwacha (15)	1.1756
Zimbabwe	Dollar	0.9794

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Egypt—Floating rate fixed daily by Central Bank of Egypt for Importers, Exporters, Tourists. (2) Paraguay operates a two-tier system: o=imports, exports and government transactions, m=all other transactions. (3) Chile—devalued June 14, to be adjusted downwards by 0.8 per cent monthly for the next 12 months. (4) Argentina returned to one rate effective November 1. (5) August 27: Uganda adopts a two-tier system: 2nd window for non-essential imports and private sector applicants, 1st all others. (6) Mexico: Preferential rate changed to Controlled covering essential imports, Exports and some Debt repayments. (7) Chile: Central bank fixing following fluctuation August 6. (8) Finland devalued October 6. (9) Bolivia: Local Banks not operating in free market UFN. (10) Mexico: Freemarket rate. (11) Iraq 5pc devaluation November 15 1982. (12) Sudan devalued by 31pc November 15. (13) Uruguay: November 29 Peso allowed to float. (14) Sierra Leone: Dual rate effective December 21, 1982, official for essential imports commercial fortnightly auction of f.x. (15) Zambia: January 9 20pc devaluation against SDR.

Authorised Units—continued

Equity & Law Un. Tst. Mngrs. (a) (b) (c)
Amersham Rd. High Wycombe. 0494 33377
Euro Tst Ac 47.2 50.70 −0.3 1.90
Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq. Edinburgh 2. 031-225 6001
Aust & Pac* 8.10 9.10 −0.02 1.30

High Yield* ... Do Accum* ...
Money Market Trust
63 Qn Victoria St. EC4N 4ST. 01-236 0952
Call Fund* ... 7 Day Fund* ...
*Unauthorised—Sterling Deposit Fund.

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 42311
Pension Funds
EqtPenFdAc 535.6 563.7 +1.4
Fxd I PenAc 384.4 404.6 +0.8
GtMonPnAc 231.7 243.9 +0.1
IntMnPnAc 212.0 223.1 +0.3
NAmPnFdAc 103.6 109.0 −0.2
Prop Pen Ac 210.8 221.7 +0.2
Mpl IvPnAc 451.0 474.7 +0.8

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
Prop (Cap) 121.3 127.3
Do (Accum) 141.7 148.9
Personal Pen 546.2

Commercial Union Group
St Helen's, 1 Undershaft EC3. 01-283 7500

Offshore and Overseas—continued

Perpetual U.T. Managers (Jersey) Ltd
P.O. Box 459, St Helier, Jersey. 0534 74517
Offshore Gwth — $1.00 2.0
Schroder Mngt Services (Jersey) Ltd
P.O. Box 195, St Helier, Jersey. 0534 27551
Schroder Money Funds Ltd
Sterling £13.3640 +0.0268
U.S. Dollar US$25.1078 +0.0413
Deutschmark DM50.1105 +0.0468
Swiss Franc SF50.0247 +0.0096
Rothschild Asset Management (C.I.)
St Julian's Ct., St Peter Pt., Guernsey. 0481 26741

OC International Reserves Ltd
Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

COMPANY NOTICES

EUROPEAN INVESTMENT BANK
8% EUROPEAN COMPOSITE UNITS (EURCO) BONDS OF 1974 DUE JANUARY 15, 1989
Pursuant to the terms and conditions of the Loan, notice is hereby given to Bondholders that, during the twelve-months' period ended January 17, 1983, EURCO 2,000,000 principal amount of the above bonds were purchased in satisfaction of the Purchase Fund.
Outstanding Amount on January 18, 1983: EURCO 53,200,000.
EUROPEAN INVESTMENT BANK

PUBLIC NOTICES

GREATER LONDON BILLS
£35 million Bills issued 10.2.83 maturing 12.5.83 at 10.9185. Total applications £192.1 million. Bills outstanding £60 million.

TAMESIDE METROPOLITAN COUNCIL
£6,300,000 Bills offered 4.2.83 for payment 9.2.83 due 11.5.83. Rate accepted 10⅞%. Applications totalled £47.8m. No other Bills outstanding.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF C. J. PLUCKNETT AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday, 1st March 1983 at 10.00 a.m. to be followed at 10.15 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the Winding-up to date.

Dated this 4th day of February 1983.
P. GRANVILLE WHITE, Liquidator.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

RAMON'S NIGHTCLUB RES., 42, Dean Street, W1. Where today's businessman can relax and enjoy an exciting evening. Various cabaret spots throughout. Charming and discreet dancing partners available. Open nightly 9 pm-3 am. Tel: 01-437 9455.

PERSONAL

FORTY YEARS ON. Since MHA first began in 1943, legacies have played a major part in helping us to take care of the elderly in need. Will you, too, leave us a LIVING legacy? Do it now—and be remembered with gratitude. Methodist Homes for the Aged, 11 Tufton Street, London SW1P 3QD.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. 110th ANNUAL WATER-COLOUR EXHIBITION. Until 25th Feb. Mon.-Fri. 9.30-5.30; Thurs. until 7.

CRANE KALMAN GALLERY, 178, Brompton Rd., SW3. 01-584 7566. 20th CENTURY BRITISH PAINTINGS: Lowry, John, Nicholson, Sutherland, etc. Mon.-Fri. 10-6, Sats. 10-4.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. LARGE LANDSCAPES & TOWNSCAPES. Lr. gallery Scottie Wilson.

JOAN EARDLEY at BROWSE & DARBY, 19, Cork St., W1. 01-734 7984.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5, and Sats. 10.00-12.45.

THACKERAY GALLERY, 18 Thackeray St., Kensington Sq., W8. 01-937 5883. LINDSAY BARTHOLOMEW. Until 25 Feb.

LUMLEY CAZALET, 24, Davies St., W1. 01499 5058. ORIGINAL PRINTS by Braque, Matisse, Miro, Picasso, etc.

TRAVEL